

**DE MONTFORT UNIVERSITY
STUDENTS UNION LIMITED**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

Company Registered Number 06634464 (England and Wales)

Charity Registered Number 1138587

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT

FOR THE YEAR ENDED 31 JULY 2021

The Trustees (who are also the directors of the Charity for the purposes of the Companies Act) present their Trustees report together with the audited financial statements of De Montfort University Students Union Limited (the Charity) for the year ended 31 July 2021. The Trustees confirm that the Trustees report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (effective January 2019).

REFERENCE AND ADMINISTRATIVE DETAILS

Charitable Status

De Montfort University Students Union Limited (DSU) is a company limited by guarantee (company number 06634464) and a registered charity (charity number 1138587).

Principal Address and Registered Office

First Floor, Campus Centre Building, Mill Lane, Leicester, LE2 7DR

Trustees

The following Trustees are also Directors of the company

Full-time Executive Officers

The Executive Officers are elected by the student population to hold office from 1 July 2020 to 30 June 2021 and are known also as the Executive Committee. The Executive Officers who held office during the year are:

Union Development Executive	Joanna Dine-Hart (appointed 01/07/20)
Academic Executive	Ruby Rawles (appointed 01/07/21 and resigned 12/08/21)
Equality & Diversity Executive	Puja Subramanian (appointed 01/07/21)
Student Opportunities & Engagement Executive	Aashni Sawjani (appointed 01/07/21)
Welfare Executive	Benjamin Smith (appointed 01/07/20)
Academic Executive	Laura Flowers (resigned 30/06/21)
Equality & Diversity Executive	Diya Rattanpal (resigned 30/06/21)
Student Opportunities & Engagement Executive	Aisha Ismail (resigned 30/06/21)

External Trustees

The External Trustees are appointed to the Trustee Board by an Appointments Committee. The External Trustees who held office during the year are:

Danielle Gillett
James Brooks (resigned 23/06/21)
Samuel Hagger (resigned 23/06/21)
Jasvinder Sanghera (resigned 02/12/20)
Philip Gilks (appointed 28/09/2021)
Laura Arends (appointed 07/10/21)
Geoff Kershaw (appointed 14/10/21)

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TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Student Trustees

The Student Trustees who held office during the year are:

Student Trustee	Youssef Labib
Student Trustee	Samuel Sayer
Student Trustee	Luke Martin (appointed 01/07/21)
Student Trustee	Mehul Parekh (appointed 01/07/21)
Student Trustee	Jodi Rose (resigned 30/06/21)
Student Trustee	Laura Toher-Hindle (resigned 30/06/21)

Auditors

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

Charity Number 1138587

Company Number 06634464

Bankers

Cooperative Bank
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Governing document

The Students' Union is governed by the Articles of Association. The Students' Union is a company limited by guarantee and does not have any share capital. The guarantors are the members of the Students' Union, being registered students at the De Montfort University ("DMU") as defined in the Articles of Association.

DSU Staff

The Chief Executive Officer works closely with the Executive Officers and as head of the Senior Management Team ensures effective management. The Senior Management Team is made up of the following:

Chief Executive Officer	Penni Robson
Deputy CEO & Head of Commercial Services	Joe Stephenson
Head of Finance, People and Central Services	Paula Heneghan
Head of Membership Services	Elgan Hughes

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

Key Management and Trustees Pay

Following a review of pay and grading DSU introduced a new pay and grading pay spine for staff employed from 1 August 2020 with current staff remaining on the University's pay spine. All staff are awarded an annual pay award based on the University's agreed pay award which is nationally negotiated and is usually applied to the scales on the 1 August each year. Dates can vary depending on national and local agreements but this is back dated to 1 August as required.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure and Decision Making

DSU became a company limited by guarantee on 1 August 2008 and registered as a charity on 26 October 2010. The governance structure includes the appointment of up to 4 External Trustees and 4 Student Trustees onto the Trustee Board. The experiences and expertise held by these Trustees ensure that DSU can focus on continuity as previously the short term of office held by the Executive Committee has made long term strategic planning more challenging. Appointments to the Trustee Board are made by an Appointment Committee.

Recruitment and training of Trustees

The current Trustee Board consists of thirteen Trustees and is constituted as follows: -

5 Executive Officer Trustees
4 Student Trustees
4 External Trustees

The five Executive Officer posts are Union Development Executive, Academic Executive, Equality & Diversity Executive, Student Opportunities and Engagement Executive and Welfare Executive.

These are full time posts which make up the Executive Committee and are remunerated as authorised by the Education Act. These posts cannot exceed two years duration for each post holder. On induction the Executive Committee and student trustees receive Trustee training and have access to ongoing training as required. The Executive Officers are also charity Trustees.

The Executive Committee meets fortnightly to receive reports including financial information, to discuss policy issues and receive information from staff as required. DSU also employs a number of non-student staff who are accountable to the CEO for the performance of their duties.

The Trustee Board structure also includes four student trustee positions to amplify the voice of students at DSU. This structure ensures accountability of the Executive Committee as well as increasing student participation in DSU.

Our External Trustees are appointed for a term of four years and can stand for re-election for another term. Up to 3 external trustees are appointed by the Appointments Committee ratified by the Trustee Board. One External Trustee shall be appointed by DMU Board of Governors.

All Trustees receive a full induction into the work of the Students' Union and the roles and responsibilities of a Trustee.

DSU is affiliated to the NUS and receives support and information on a wide range of topics.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Third party indemnity provision for trustees

Qualifying third party indemnity provision is in place for the benefit of the trustees.

Principal risks and uncertainties

Risk management

The major strategic, business and operational risks to which the charity is exposed, as identified by the Trustees, are regularly reviewed and systems or procedures are put in place to mitigate those risks. A risk register has been established which is updated and reported to the Executive Committee and Trustee Board quarterly, covering the following key matters amongst others:

Funding – DSU receives the majority of its income from DMU as well as generating its own income from commercial services. Annual budgets are set and approved by the Trustee Board with management accounts and variances to budget regularly reviewed. DSU is also represented on the DMU Board of Governors to ensure reporting and communication with our main funder and reports to the University's Finance and Performance Committee (F&PC) and Quarterly Review & Performance Committee (QPR) on a quarterly basis.

Retention of key staff – We use experts to assist with key recruitment decisions. We provide enhanced support and supervision, giving people opportunities to progress. Key staff are involved in long term strategy and annual business planning, aligning resources to activities.

Governance management – We have a corporate governance structure aligned with Charity Commission best practice guidelines which involve strong communication with staff and trustees, review of policies and procedures, regular meetings and information on performance and progress and clear and defined decision-making processes. DSU completed a full governance review in 2018 which endorsed our new structures as best practice.

Financial systems and control – Qualified in-house finance professionals produce accurate and up to date financial reporting with close monitoring of internal controls and a regular review of processes and procedures to ensure they are fit for purpose.

Compliance with laws and regulations – We constantly monitor and review changes as well as adhere to best practice, using specialist support where necessary.

Brexit – No significant risks have been identified as a result of the decision to leave the EU. Close monitoring of the impact of Brexit on the student body and DSU will continue and is supported by DMU and NUS.

Covid 19 - DSU have been able to adjust its working practises in light of the Covid-19 pandemic. Whilst the commercial services had to be closed in line with government guidance in March 20, the Union was able to remain open to its membership with staff working from home and delivering remote support from all of its other departments. The Trustee Board set up the COVID Major Incident Committee (CMIC) with the aim of managing DSU's response to the pandemic and its impact on the Union's business and financial situation with full delegated authority from the Trustee Board. This allowed the Union to respond to challenges and opportunities that arose as well as ensuring that student and staff safety was at the heart of any decision making.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

Public benefit

The Trustees have considered this matter, in conjunction with the guidance contained in the Charity Commission's general guidance on public benefit and have concluded that as a registered charity and Students Union, our work directly supports and benefits the 27,000+ students registered to study at DMU. In planning our work, we test that the primary goals of all our activities are linked to our core aims and therefore are for the direct benefit of our member students.

OBJECTIVES AND ACTIVITIES

DSU is constituted under the Education Act 1994 as a charity.

The main aims of DSU as set out in its governing documents are:

To advance the education of the students of DMU for the public benefit by:

- Providing representation, advice and assistance to students on matters affecting their welfare and interests as students;
- being the recognised representative channel between Students and DMU and any other external body;
- providing sporting, social, cultural and recreational opportunities and facilities for students so as to further the education purposes of DMU;
- promoting and encouraging contact and co-operation between students;
- advancing the welfare and physical and mental wellbeing of students;
- all such objects as are charitable in law which are incidental or conducive to the foregoing objects.

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission general guidance on public benefit.

Relationship with DMU

For the year ended 31 July 2021, DSU received a Block Grant from DMU of £1,216,248 (2020: £1,234,864). In addition DMU awarded DSU further one off funding of £29k for 20/21 to allow DSU to be agile and flexible with regards its commercial services.

For the financial year 2021/22 DMU have agreed a Block Grant of £1,202,811.

DSU is extremely grateful for the University's continuing support including the use of the Campus Centre Building and ongoing financial and other support which the University has provided during the year. The stable Block Grant and continued use of campus space ensures DSU can keep supporting its members and deliver the best service to achieve its aims and ambitions for the coming year.

DSU continues to benefit from positive relationships with University staff at all levels. We aspire to make a continued positive contribution to the lives of our members and the campus community in 2021/22.

The Charities SORP has been adopted for due compliance with the requirements for Students' Unions' provided in the Charities Act 2006. As a result, an estimated value to DSU for the free serviced accommodation has been included in the financial statements. This has been valued at £150,000 based on market prices within the Midlands.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

FINANCIAL REVIEW

Results

DSU gross income from all sources this year totalled £1,665,688 (2020: £2,319,989). Total expenditure of £1,711,178 (2020: £2,239,083) on the wide-ranging student benefits we provide left a deficit of £45,490 (2020: surplus £80,906).

At the year end, DSU had total funds deficit of £331,156 (2020: £287,666), of which includes restricted funds of £117,700 (2020: £128,460) and designated funds of £55,500 (2020: £37,557).

Following the adoption of FRS102, the charitable company has been required to recognise the net present value of future contributions required to eliminate the shortfall estimated with respect to charitable company participation in the Students' Union Superannuation Scheme. This has resulted in a liability being recognised in the balance sheet at 31 July 2020 of £1,065,140 (2020: £945,039) and this has resulted in a charge to the Statement of Financial Activities in the year of £177,929 (2020: £88,900).

Reserves Policy

The Trustee Board have approved a reserves policy and identified three reasons for DSU to hold reserves; -

- To provide financial stability to enable DSU to continue to achieve its objectives during challenging trading periods. This will enable DSU to cover regular short term fluctuations in income and cashflow.
- To allow DSU to take advantage of strategic development opportunities and plan for growth.
- To enable DSU to make provision for our staff redundancies and closure costs on any dissolving of the Charity.

DSU has identified that a minimum level of unrestricted funds should be set to counter balance trading uncertainty and produce a base level for stability. Additionally, a target level of unrestricted funds will also be set to allow for growth and for DSU to take advantage of strategic development opportunities going forward.

The level of unrestricted funds should be set as three months operating costs, with an additional fund to cover redundancy costs for all staff (general reserve) and a designated fund for investment.

At the current time the trustees are regularly reviewing this policy as a result of the Covid-19 pandemic but remain of the opinion that adequate reserves exist to meet liabilities as they become due for a period of at least a twelve months from the date of approval of the financial statements.

SUSS Pension Scheme

Following the triennial valuation at the 30 June 2019, the net present value of future contributions required to eliminate the shortfall has increased the liability being recognised in the balance sheet at 31 July 2021 to £1,065,140 (2020: £945,039) and a subsequent deficit on reserves of £331,156 (2020: £287,666). The trustees are confident the current deficit compared to the above reserves policy is wholly as a result of the provision required on adoption of FRS102, that this deficit will reduce over the coming years and that cash reserves remain adequate.

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TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

We have reviewed the key achievements and progress over the course of the year below:

Marketing and Communications

Throughout the Covid-19 Pandemic, the Marketing and Communications department have regularly monitored analytics on different channels and provided a flexible and creative approach to communications. Where patterns have emerged, the department has tailored the content to work within the different channels algorithms to maximise engagement. The department have also been reviewing the purpose of each channel and their differing audiences. This has produced an increased understanding of what we use each channel for and how we can use it to maximise engagement. Moving forward we are looking to gain even more understanding of our audience through analytics and will continue to tailor our messaging to match what those analytics tells us.

20-21 has been a particularly difficult period as the digital landscape is already incredibly competitive, but now everyone and everything is online it is even more so. This year saw major changes in the department with the addition of a fulltime designer and a new Marketing and Communications Manager. The addition of a fulltime designer has allowed a rebrand as well as a more seamless and co-ordinated approach to marketing and communications. Design can be integrated from the beginning of projects and play a larger role in what we do.

A major development in our communication is how we use emails. From February 2021 we have been using more analytics and targeting in our emails. This enables us to be more precise in who we are speaking to and tailor our messaging accordingly, depending on their previous email activity or motivations.

We continue to have a strong working relationship with key departments at the University, as well as cohesive working within the Union due to improved internal communication. This has led to better organised and successful marketing campaigns, joint campaigns, and events. We continue regular updates with DMU Marketing and DMU Sport.

Membership Services

This year has seen success in many aspects of membership services with increased engagement at a variety of levels despite the requirement to provide services remotely for much of the year. A new Head of Membership Services was also recruited during the year.

Governance

The 2021 Executive elections were hosted online after a one-off amendment was passed to run an online election to avoid Covid-19 related interruption. In 19/20 17,369 votes were cast by 2,935 voters, the 20/21 elections saw 16,667 cast by 1,828 voters, a drop of 4% but maintaining a net gain on previous years.

Student Council and Zone participation continued to be active, and student led meetings were held. Feedback was extremely positive, with students participating in Council feeling 'aware', 'inspired', and 'informed' being 'ready to make a difference', resulting in an increase in overall average net promoter score (collected from feedback after every council) from 62.5 to 68.5.

Student Council debated and voted upon a range of policies throughout the year, and excitingly passed the introduction of a new Zone to the representation structure – splitting Welfare and Equality into two separate zones to account for the distinction between the two, and to engage the voice of an underutilised demographic of students.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

Academic Representation

In 2021, the Course Rep scheme operated with 505 reps, a further increase of 22% upon the 411 reps elected in 19/20 due to strengthening partnerships between DSU Voice and faculties with a continued tailored election offer. Voice continued to support Course Reps virtual attendance at University committees, also introducing new means of tracking and celebrating change via the Inspirational Changes portal.

Voice will benefit from an additional Academic Representation Coordinator role, and the division of faculties between the two roles to allow for more focused and tailored support for Course Reps and University staff. In the year ahead Voice will be consolidating its focus on encouraging uptake of training and instilling a sense of community via both initial and ongoing workshops, more regular contact points with the Voice team, and ensuring clear routes for the wider student body to use reps at every level to have their voice heard.

Activities

DSU has continued to support student groups to create opportunities for engagement in 2020/21, and in this unique and unprecedented time the student group leaders have done an amazing job in delivering activities and events despite Covid-19. In recognising the barriers that students faced with interacting with student groups this year we removed the annual membership fee, increased the development fund budget and purchased a Zoom Pro account enabling student groups to run virtual meetings and events.

The total amount of members has decreased this year but this is to be expected with many groups concentrating on their academic studies, and adapting to the new ways of learning remotely. However, we have seen an increase of total memberships as when a student does join a group they are more likely to engage with more than one group. On average a student will join 3.7 groups which has jumped from an average of 1.3 groups last year.

The total numbers this year are;

- Societies – 2,604 individual members with 9,681 total memberships
- Sports – 1,625 individual members with 4,749 total memberships

The total number of active student groups is 153 made up of 113 Societies, 3 Demon Media Streams, 1 Volunteering Group and 36 Sporting Clubs. We have had several new groups this year including the Marketing Society with 35 members and the Yoga Society with 84 members. E-sports is our largest society with 232 members (an increase of 70) and two academic societies have increased their membership with Law having 210 members and Psychology Society 113. Our performance-based groups have managed to continue running meetings and events and adapted well to the new virtual environment with Dance Society being able to hosting a dance competition with 8 other universities from across the UK.

MyUniPal scheme has continued to work closely with the University mentoring working group (Mentoring For All), supporting the welcoming activities for both international welcome week and fresher's week. The MyUniPal mentors were again integral in helping student transition to Higher Education this year, it was harder to create interactions with less physical events on campus but for those students on campus the MyUniPal mentors were able to support, guide, and answer questions they had about starting at DMU.

With the removal of the BUCS fixtures this year the focus has been more on participation, and there has been a real uptake in the free DMU Active programme which gives students access to non-competitive sport and fitness sessions when these were able to run under Covid-19 restrictions.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

Advice & Wellbeing

This academic year has seen a complete turnaround in the direction, vision and deliverables for the newly named, Advice & Wellbeing Team. Following a restructure of the Advice team the newly formed Advice & Wellbeing team have been able to improve on the service offered due to of delivery of campaigns and projects that are relatable for our student membership in addition to the high quality advice the team have always offered.

The service has streamlined their core advice areas, which allows them to focus on Housing, Academic, Disciplines, Complaints and Wellbeing. The removal of visa and money advice has allowed a more attentive team to increase their engagement in core union activity, such as Freshers week and elections.

Under the guidance of the Advice & Wellbeing Manager the team have delivered a number of proactive campaigns and projects through social media, student email, online workshops, newsletters and articles. These include Stress Management workshops, Sexual Health campaign (including body positivity and positive relationships), Stress awareness month, Men's Health Week, Mental Health week, Student Mental health day, Young Carers Day, Academic awareness campaigns, Safety net information, Housing information, Wellbeing guidance for election candidates and much more.

The team have also conducted research on our members regarding their knowledge on academic issues (such as academic offences), where they had over 1,100 participants. The results of this were analysed and presented to multiple university staff members and committee, including the University Leadership Board.

To date, the team have recorded just over 1,600 cases throughout the 2020/21 academic year. This is lower than usual, but given the circumstances of staff changes, removal of visas, training, and proactive campaigns the lower number is expected.

Commercial Services

As a result of the Covid-19 pandemic commercial services have been impacted throughout the 20-21 year with various lockdowns and restrictions in place. This affected income levels within our commercial services however staffing costs were mitigated by the use of the governments Job Retention Scheme which was used to furlough the majority of staff within our commercial services.

SUPplies (DSU Shop)

SUPplies sell a variety of specialist supplies for DMU courses as well as stationary, branded clothing and also provides dissertation and binding services. SUPplies has made a net profit of £5k (2020 £8k) despite being closed for much of the year due to Covid-19 lockdown restrictions. Product reviews, relationship development on the DMU Campus and excellent customer service are key objectives of SUPplies.

DSU Sales & Advertising

This commercial operation achieved a net profit figure of £6k (2020: £15k). With the majority of revenue within this area generated from our Fresher's Fair this was adversely impacted by the Covid-19 lockdown restrictions, in particular due to the requirement for DSU to hold a virtual rather than face to face Fresher's Fair. In addition, with lack of student footfall throughout the year and customers with restricted operations or budgets our opportunities to generate sponsorship and advertising income were severely impacted.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

DSU Function Rooms and SU's Diner

These commercial areas made a loss for the year of £32k (2020: profit £28k). The Function Rooms, which is the DSU nightclub and bar, was closed for the full financial year. We were able to open SU's Diner with a restricted service at limited points during the year when lockdown restriction allowed. However, even when we were able to open, revenues were adversely impacted by the lack of student footfall on campus. DSU utilised the governments job retention scheme for the majority of staff within our commercial departments which allowed us to retain all of our permanent staff in their roles and all are now working back on site. During the summer we did a small revamp of SU's Diner which was rebranded as The Union. A review of the menu and opening times, based on customer feedback, should ensure that this commercial service provides an enhanced service to our students on campus and as such lead to a more profitable operation.

Student Union Lettings Limited (trading as Sulets)

On 1 August 2012 the trade and assets of the Lettings operation were transferred to a new limited company Student Union Lettings Limited (trading as Sulets). Sulets is a registered charity and company limited by guarantee, with two members - DSU and The University of Leicester Students' Union (ULSU). Sulets supports DSU with sponsorship of activities and events during the year and we ensure it continues to contribute to our aims and objectives through our representation on the Sulets Board.

In the opinion of the Trustees, Sulets is not a subsidiary undertaking of the Charity. All funds generated by Sulets are restricted for use by Sulets in line with the objects of that charity.

PLANS FOR THE FUTURE

Following our recent recruitment processes we have now recruited 3 new external trustees who have joined the board in October 2021. In addition, we expect to receive notification from DMU of the Board of Governors representative shortly which will fill our final vacant external trustee post. In addition, following the resignation of our current CEO Penni Robson, our new CEO will be joining us officially from 1 January 2022 with our Interim CEO in post until this point. We are now looking at updating forecasts following our Freshers period as well as planning any commercial development for DSU. Once our new CEO and external trustees are settled in post we will look to update our strategic plan in line with the DMU strategy including student consultation as well as a review of current governance structures.

COVID19 PANDEMIC RESPONSE

DSU have been able to adjust its working practises in light of the Covid-19 pandemic. Whilst the commercial services had to be closed in line with government guidance in March 2020, the Union was able to remain open to its membership with staff working from home and delivering remote support from all of its other departments. The Trustee Board set up the COVID Major Incident Committee (CMIC) with the aim of managing DSU's response to the pandemic and its impact on the Union's business and financial situation with full delegated authority from the Trustee Board. This allowed the Union to respond to challenges and opportunities that arose as well as ensuring that student and staff safety was at the heart of any decision making.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

Our Values and Mission

DSU is an independent student-run and student-led organisation. Our mission is

Empowering you to create an unforgettable journey by looking out for your wellbeing, creating a sense of belonging and providing opportunities to get actively involved.

We will deliver this by living up to our values, or Golden Threads, which are:

- Inclusion - your DSU is for you. Be who you are.
- Invested in you.
- Support your wellbeing - a system of support that's accessible to all.
- Communication - listening to you and acting on it. Letting you know what we do.
- Celebrate your achievement, celebrate you.

Our longer term aims that are woven by our Golden Threads are to:

- Create a social hub which is the place for all DMU students to connect.
- Help and empower you by keeping you informed, advising and supporting on your rights and facilitating clubs, societies and other student groups.
- Support your wellbeing – with a system of support that's accessible to all.
- Amplify your voice - making sure that your opinions are heard at all levels across the University by representing you and helping you find your voice on campus.
- Build collaborative relationships - working with the University, other unions, and the community to represent your interests and create the best experience for you.

Based on these we have identified a set of priorities for 2020/21 that support our longer term ambition and these are:

- Engagement – however you want to get involved.
- Wellbeing – providing support, advice, signposting, “just being there”, a safe and welcoming place to come.
- Belonging - creating a sustainable community in the heart of the campus.
- Representation – enhancing academic representation and empowering students to get actively involved.

Operational plans designed to develop, monitor and deliver their priorities is being developed and we look forward to work on them over the course of the next year.

Auditors

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

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

TRUSTEES REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2021

Trustees' Responsibilities

The Trustees (who are also directors of De Montfort University Students Union for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources including the income and expenditure, of the charitable company for that period. In preparing 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 company will continue in operation.

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

In so far as the Trustees are aware there is no relevant audit information of which the charitable company's auditor is unaware and the trustees have taken all the necessary steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

This report was approved by the Trustees on 28/10/2021 and signed on their behalf by:



D Gillett
External Trustee

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED (continued)**

FOR THE YEAR ENDED 31 JULY 2021

Opinion

We have audited the financial statements of De Montfort University Students Union Limited (the 'charitable company') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 charitable company's affairs as at 31 July 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 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 AUDITORS REPORT TO THE MEMBERS OF
DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED (continued)**

FOR THE YEAR ENDED 31 JULY 2021

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 purposes 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 the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on pages 12, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED (continued)**

FOR THE YEAR ENDED 31 JULY 2021

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.

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 audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is 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 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, GDPR and data protection act, health and safety regulations and licensing regulations. We performed audit procedures to inquire of management whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The 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 <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED (continued)**

FOR THE YEAR ENDED 31 JULY 2021

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 the charitable company's 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: 29/10/2021

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

INCORPORATING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2021

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	-	1,523,737	1,523,737	1,535,578
Charitable activities	4	38,065	42,224	80,289	632,921
Other trading activities	4	-	26,852	26,852	76,170
Investment income	4	-	53	53	1,252
Other income	5	-	34,757	34,757	74,068
Total		38,065	1,627,623	1,665,688	2,319,989
Expenditure on:					
Raising funds	6	-	87,999	87,999	100,492
Charitable activities	6	168,926	1,454,253	1,623,179	2,138,591
Total	6	168,926	1,542,252	1,711,178	2,239,083
Net income and net movement in funds	11	(130,861)	85,371	(45,490)	80,906
Reconciliation of funds					
Total funds brought forward		(816,579)	528,913	(287,666)	(368,572)
Total funds carried forward	16	(947,440)	614,284	(333,156)	(287,666)

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derived from continuing operations.

A detailed comparative Statement of Financial Activities is shown in note 22.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

**BALANCE SHEET
COMPANY NUMBER 06634464**

AS AT 31 JULY 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	12		14,682		36,739
Current assets:					
Stocks	13	29,242		28,258	
Debtors	14	51,299		51,877	
Cash at bank		745,425		684,005	
		<u>825,966</u>		<u>764,140</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(108,664)		(143,506)	
Net current assets			<u>717,302</u>		<u>620,634</u>
Net assets excluding pension liability			<u>731,984</u>		<u>657,373</u>
Defined benefit pension scheme liability	19	(1,065,140)		(945,039)	
Total net liabilities			<u>(333,156)</u>		<u>(287,666)</u>
Total funds of charity					
Restricted funds	16		<u>117,700</u>		<u>128,460</u>
Unrestricted funds:					
General fund	16		<u>558,784</u>		<u>491,356</u>
Facilities development reserve	16		<u>55,500</u>		<u>37,557</u>
Total unrestricted funds			<u>614,284</u>		<u>528,913</u>
Pension reserve	16	(1,065,140)		(945,039)	
Total charity funds			<u>(333,156)</u>		<u>(287,666)</u>

The financial statements on pages 17 to 34 were approved by the Board of Trustees and authorised for issue on 28/10/2021 and signed on their behalf, by:



D Gillett
External Trustee

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2021

	Note	£	2021 £	£	2020 £
Cash flows from operating activities					
Net cash provided by operating activities	18		61,367		144,099
Cash flows from investing activities					
Interest from investments		53		1,252	
Net cash provided by investing activities			53		1,252
Change in cash and cash equivalents in the reporting period			61,420		145,351
Cash and cash equivalents at the beginning of the reporting period			684,005		538,654
Cash and cash equivalents at the end of the reporting period			<u>745,425</u>		<u>684,005</u>

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

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

1. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no critical accounting estimates and areas of judgement to note.

2. Accounting policies

Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102), (Charities SORP (FRS102)) "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" including the amendments issued in December 2017 ("FRS 102") and the requirements of the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

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

De Montfort University Students Union Limited 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 notes.

Going concern

As a result of the Covid-19 pandemic the Students' Union embarked on a phased business continuity plan to help prepare and respond to the changing environment. Assurances were received from DMU as our main funder however for our 2020-21 financial year other income streams were impacted as a result of physical gatherings having to be cancelled or postponed. For this reason, the charity has carried out forecasting by looking at how any changes in funding will impact the Students' Union, 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 charity 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

Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

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

2. Accounting policies (continued)

Income

All incoming resources are recognised once the trust has entitlement to the resources, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

- Voluntary income, including donations, and grants are recognised where there is entitlement, probable of receipt and the amount can be measured reliably. The charitable company benefits from the provision of accommodation by the De Montfort University. The value of the gift of these facilities is based on the rental of similar facilities in similar locations.
- Investment income is recognised on a receivable basis.
- Income direct from charitable activities is recognised when the charitable company is legally entitled to income and the amount can be measured reliably, which includes income from bars, catering, shops, membership services and training.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is classified under charitable activity rather than the type of expense, in order to provide more useful information to users of the financial statements. Where costs cannot be directly attributed to particular heading, they have been allocated to activities on a basis consistent with use of the resources.

Raising funds are those incurred in seeking voluntary contributions to enable the charitable company to carry out its charitable activities, these do not include the costs of disseminating information in support of the charitable activities.

Support and governance costs which cannot be directly attributable to a specific activity have been allocated to activities on a basis consistent with the use of the resources. Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Tangible fixed assets and depreciation

Tangible fixed assets are initially recorded at costs and subsequently measured at cost net of depreciation and any impairment losses. Tangible fixed assets with a cost price in excess of £2,000 are capitalised and all other expenditure is charged to the statement of financial activities in the year incurred.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of the asset less any residual value, except for land over its estimated useful economic life. It is calculated at the following annual rates:

Fixtures & fittings	-	20 - 33% Straight Line
Computer equipment	-	33% Straight Line

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

2. Accounting policies (continued)

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.

Jointly controlled entity

The charitable company has a long term interest and shares, controlled under contractual arrangements that is classified as a jointly controlled entity.

Stocks

Stock consisting of goods purchased for resale are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items.

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 liabilities of a kind that qualify as basic financial instruments and are not considered to be of financial nature. Such financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with exception.

Debtors

Trade debtors 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 debtors and other debtors 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, other short-term liquid investments with original maturities of three months or less.

Creditors

Creditors are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

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

2. Accounting policies (continued)

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.

Pensions

The charitable company participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the charitable company. Therefore the pension charge shown in the financial statements represents the contributions payable in the year, as under current accounting standards the contributions are accounted for as if the scheme were a defined contributions scheme.

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.

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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3. Legal status of the charitable company

De Montfort University Students Union Limited is a private incorporated charitable company (company number 06634464) and is also registered at the Charity Commission in England and Wales (charity number 1138587). The charitable company is limited by guarantee and as such has no issued share capital.

The address of the charitable company's registered office and principal place of business is First Floor, Campus Centre Building, Mill Lane, Leicester, LE2 7DR.

The main aims of De Montfort University Students Union Limited are to advance the education of the students of De Montfort University for the public benefit.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

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

4. Income from

	Restricted funds £	Unrestricted funds £	Total funds 2021 £	Total funds 2020 £
Donations and legacies				
Block grant income	-	1,216,248	1,216,248	1,234,864
Grant of serviced accommodation	-	150,000	150,000	150,000
Grant of CEO Support	-	70,000	70,000	70,000
Other grant income	-	87,489	87,489	80,714
Sub total	-	1,523,737	1,523,737	1,535,578
Charitable activities				
Bars and catering	-	4,118	4,118	354,729
Shops	-	28,106	28,106	88,574
Membership services	38,065	10,000	48,065	184,058
Training	-	-	-	5,560
Sub total	38,065	42,224	80,289	632,921
Other trading activities				
Commercial marketing and sponsorship	-	26,852	26,852	76,170
Sub total	-	26,852	26,852	76,170
Investment income	-	53	53	1,252
Total	38,065	1,592,866	1,630,931	2,245,921

5. Other incoming resources

	Restricted funds £	Unrestricted funds £	Total funds 2021 £	Total funds 2020 £
Other income	-	34,757	34,757	74,068

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

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

6. Analysis of expenditure

	Direct supplies £	Direct staff costs £	Other direct costs £	Support costs £	2021 £	2020 £
Raising funds						
Commercial marketing and sponsorship	4,425	31,938	230	51,406	87,999	100,492
Sub total	4,425	31,938	230	51,406	87,999	100,492
Charitable activities						
Welfare, advice and representation	42,159	322,719	22,019	143,263	530,160	581,984
Bars and catering	12,120	112,414	1,992	203,217	329,743	674,303
Shops	17,185	45,241	1,825	55,406	119,657	155,296
Membership services	128,185	374,489	5,181	135,764	643,619	724,235
Training	-	-	-	-	-	2,773
Sub total	199,649	854,863	31,017	537,650	1,623,179	2,138,591
Total	204,074	886,801	31,247	589,056	1,711,178	2,239,083

Other direct costs comprised

	2021 £	2020 £
Depreciation	22,057	27,877
Repairs and renewals	5,339	18,139
Other	3,851	7,720
Total	31,247	53,736

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

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

7. Analysis of the support costs

	Staff costs £	Rent £	Other costs £	2021 £	2020 £
Raising funds					
Commercial marketing and sponsorship	20,998	7,500	22,908	51,406	57,497
Sub total	<u>20,998</u>	<u>7,500</u>	<u>22,908</u>	<u>51,406</u>	<u>57,497</u>
Charitable activities					
Welfare, advice and representation	52,494	30,000	60,769	143,263	171,949
Bars and catering	62,993	75,000	65,224	203,217	221,491
Shops	20,998	15,000	19,408	55,406	61,497
Membership services	52,494	22,500	60,770	135,764	164,451
Sub total	<u>188,979</u>	<u>142,500</u>	<u>206,171</u>	<u>537,650</u>	<u>619,388</u>
Total	<u><u>209,977</u></u>	<u><u>150,000</u></u>	<u><u>229,079</u></u>	<u><u>589,056</u></u>	<u><u>676,885</u></u>

Other costs comprised

	2021 £	2020 £
Depreciation	-	11,873
Repairs and renewals	1,924	792
Insurances	19,776	23,159
Sundry supplies	116,355	125,923
Audit and accountancy fees	21,024	16,176
VAT partial exemption adjustment	-	34,000
Recharge of CEO Support	70,000	70,000
Total	<u><u>229,079</u></u>	<u><u>281,923</u></u>

8. Governance costs

	2021 £	2020 £
Audit, accountancy and legal fees	<u>67,078</u>	<u>82,479</u>

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

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

9. Analysis of staff costs and numbers

	2021 £	2020 £
Total staff emoluments for the year were as follows:		
Wages and salaries costs	809,202	990,372
Social security costs	64,367	65,976
Pension defined benefit scheme	186,858	99,738
Pension contribution scheme	36,351	37,310
	<u>1,096,778</u>	<u>1,193,396</u>

During the year the charitable company made redundancy payments and payments in lieu of notice amounting to £34,377 (2020: £3,103).

The pension costs are allocated to activities in proportion to related staffing costs incurred.

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

	2021 No.	2020 No.
Commercial activities	8	36
Charitable activities	24	21
Admin and management	6	12
Total staff	<u>38</u>	<u>69</u>

There were no members of staff who received emoluments, including benefits in kind, within the range of £60,001 - £70,000 (2020: £Nil)

10. Trustees' remuneration and expenses and cost of key management personnel

Trustees' remuneration

Each of the Executive Committee's sabbatical officers received remuneration as authorised in the Union's governing document for the representation, campaigning and support work they undertake as distinct from their trustee responsibilities. Their remuneration amounted to £101,948 (2020: £91,271) in aggregate. The split as detailed below:

R Rawles	- £2,001 (2020: £Nil)	D Rattanpal	- £18,703 (2020: £20,151)
L Flowers	- £18,022 (2020: £20,276)	A Sawjani	- £1,758 (2020: £Nil)
A Ismail	- £18,703 (2020: £20,146)	J Dine-Hart	- £20,380 (2020: £1,755)
B Smith	- £20,380 (2020: £1,755)	P Subramanian	- £2,001 (2020: £Nil)

During the year ended 31 July 2020, remuneration was paid to K Askew amounting to £8,735 and K Hobbs amounting to £18,453, who resigned on 16 December 2019 and 30 June 2020 respectively.

During the year pension payments were made to the NEST scheme as follows:

L Flowers	£889 (2020: £1,014)
B Smith	£839 (2020: £Nil)
A Ismail	£923 (2020: £336)
D Rattanpal	£923 (2020: £1,008)
J Dine-Hart	£1,007 (2020: £88)
A Sajani	£88 (2020: £Nil)
P Subramanian	£100 (2020: £Nil)

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

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

10. Trustees' remuneration and expenses and cost of key management personnel (continued)

Trustees' remuneration (continued)

During the year end 31 July 2020, pension payments were made to NEST for K Askew amounting to £437 and K Hobbs amounting to £840, who resigned on 16 December 2019 and 30 June 2020 respectively.

During the year, two (2020: three) trustees' received travelling expenses totalling £20 (2020: £342)

Key management remuneration

The key management personnel of the charitable company comprise the trustees and members of the DSU staff management committee that are responsible for the day to day running of the charity. The total employee benefits for key management personnel of the charitable company were £206,340 (2020: £217,678).

11. Net income

This is arrived at after charging:

	2021 £	2020 £
Depreciation of owned assets	22,057	39,750

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows;

	2021 £	2020 £
Audit services – statutory audit of the charitable company	16,600	13,525
Other non-audit services	4,400	12,500
	<u>21,000</u>	<u>26,025</u>

12. Tangible fixed assets

	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 August 2020 and 31 July 2021	286,780	39,856	326,636
Depreciation			
At 1 August 2020	250,041	39,856	289,897
Charge for the year	22,057	-	22,057
At 31 July 2021	<u>272,098</u>	<u>39,856</u>	<u>311,954</u>
Net book value			
At 31 July 2021	<u>14,682</u>	<u>-</u>	<u>14,682</u>
At 31 July 2020	<u>36,739</u>	<u>-</u>	<u>36,739</u>

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

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

13. Stocks	2021	2020
	£	£
Finished goods and goods for resale	29,242	28,258
	<hr/>	<hr/>
14. Debtors	2021	2020
	£	£
Trade debtors	12,539	19,666
Other debtors	18,680	16,611
Prepayments and accrued income	20,080	15,600
	<hr/>	<hr/>
	51,299	51,877
	<hr/>	<hr/>
15. Creditors:	2021	2020
Amounts falling due within one year	£	£
Trade creditors	36,713	17,662
Other taxation and social security	20,101	44,737
Other creditors	590	40,206
Accruals and deferred income	51,260	40,901
	<hr/>	<hr/>
	108,664	143,506
	<hr/>	<hr/>
Deferred Income		£
Deferred income at 1 August 2020		6,320
Resources deferred in the year		27,498
Amounts released from previous year		(5,150)
		<hr/>
Deferred income at 31 July 2021		28,668
		<hr/>

The deferred income at 31 July 2021, relates to events for the next year.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

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

16. Statement of funds					
Current year:	At 1	Incoming	Resources		At 31
	August 2020	resources	expended	Transfer	July 2021
	£	£	£	£	£
Restricted funds					
Clubs and societies	128,460	38,065	(48,825)	-	117,700
Unrestricted funds					
General fund	491,356	1,627,622	(1,520,194)	(40,000)	558,784
Facility development reserve	37,557	-	(22,057)	40,000	55,500
Total unrestricted funds	528,913	1,627,622	(1,542,251)	-	614,284
Pension reserve	(945,039)	-	(120,101)	-	(1,065,140)
Total funds	(287,666)	1,665,687	(1,711,177)	-	(333,156)
Previous year:	At 1	Incoming	Resources		At 31
	August 2019	resources	expended	Transfer	July 2020
	£	£	£	£	£
Restricted funds					
Clubs and societies	124,332	175,601	(171,473)	-	128,460
Unrestricted funds					
General fund	352,894	2,144,388	(2,005,926)	-	491,356
Facility development reserve	65,418	-	(27,861)	-	37,557
Total unrestricted funds	418,312	2,144,388	(2,033,787)	-	528,913
Pension reserve	(911,216)	-	(33,823)	-	(945,039)
Total funds	(368,572)	2,319,989	(2,239,083)	-	(287,666)

Clubs and societies

Restricted funds represent funds raised and administered by the Union for the specific benefit of clubs and societies and as such are ring fenced for the future benefit of that specific club or society.

Facility development reserve

The designated fund for investment will cover the refurbishment of our commercial areas and administrative space. This will allow DSU to take advantage of future opportunities and risks. As such the designated funds are excluded from reserves as per the Charities Commission definition.

Transfers

A transfer has been made from the general reserve to the facility development reserve for refurbishments planned for the diner and downstairs space of the building.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

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

17. Analysis of net assets between funds

Current year:	Restricted funds £	General funds £	Facility development reserve £	Pension reserve £	Total funds £
Tangible fixed assets	-	-	14,682	-	14,682
Current assets	117,700	667,448	40,818	-	825,966
Creditors due within one year	-	(108,664)	-	-	(108,664)
Pension liability	-	-	-	(1,065,140)	(1,065,140)
	<u>117,700</u>	<u>558,784</u>	<u>55,500</u>	<u>(1,065,140)</u>	<u>(333,156)</u>
Previous year:	Restricted funds £	General funds £	Facility development reserve £	Pension reserve £	Total funds £
Tangible fixed assets	-	-	36,739	-	36,739
Current assets	128,460	634,862	818	-	764,140
Creditors due within one year	-	(143,506)	-	-	(143,506)
Pension liability	-	-	-	(945,039)	(945,039)
	<u>128,460</u>	<u>491,356</u>	<u>37,557</u>	<u>(945,039)</u>	<u>(287,666)</u>

18. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the reporting period	(45,490)	80,906
Adjustments for:		
Depreciation charges	22,057	39,750
Interest on investments	(53)	(1,252)
(Increase)/ decrease in stocks	(984)	7,280
Decrease in debtors	578	24,841
Decrease in creditors	(34,842)	(41,249)
Movement on defined pension scheme liability	120,101	33,823
Net cash provided by operating activities	<u>61,367</u>	<u>144,099</u>

19. Pension costs

The charitable company participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the charitable company. Under the accounting standard FRS102 and Charity SORP (FRS102), in these circumstances contributions are accounted for as if the Scheme were a defined contribution scheme based on actual contributions paid through the year.

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

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

19. Pension costs (*continued*)

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

The most recent Valuation of the Scheme was carried out as at 30 June 2019 and showed that the market value of the Scheme's assets was £119.1m with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £140.9m. The assumptions which have the most significant effect upon the results of the Valuation are those relating to the sustained low yield on government bonds.

The following assumptions 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 expressed in monetary terms. This has resulted in an increase in contributions by 8% from 1 October 2021 and by a further 5% each year until July 2035. 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. In addition to the above contributions, The Union also pays its share of the Scheme's levy to the Pension Protection Fund. FRS102 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 contribution to eliminating the shortfall was £57,828 for the year ended 31 July 2021 (2020: £55,007).

Therefore, at 31 July 2021, the balance sheet of charitable company includes a liability of £1,065,140 (2020: £945,039), 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 £	2020 £
Balance brought forward	945,039	911,216
Contributions made in the year	(57,828)	(55,077)
Charge to statement of financial activities	177,929	88,900
	<hr/>	<hr/>
Balance carried forward	1,065,140	945,039

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

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

19. Pension costs (continued)

In addition, the Charitable company paid PDF levy of £8,929 (2020: £10,838) during the year.

The Charitable company also contributes to The National Employment Savings Trust (NEST) a defined contribution scheme. During the year contributions were made amounting to £36,351 (2020: £37,310). At the year end an amount of £35 (2020: £4,588) was due with respect to the pension contributions.

20. Related party transactions

The De Montfort University Students' Union Limited is in receipt of a recurrent grant from its parent institution, De Montfort University of £1,216,248 (2020: £1,234,864).

In addition, the De Montfort University Students' Union Limited occupies its building and receives certain people related services on a free of charge basis. This is under an informal license subject to the De Montfort University Students' Union Limited maintaining the building in a good state of repair. As a result, an estimated value to De Montfort University Students' Union Limited for the free serviced accommodation has been included in the accounts. This has been valued at £150,000 (2020: £150,000) based on market prices within Leicester. This income can be seen in note 4 of the financial statements under accommodation costs.

The De Montfort University Students' Union Limited has also received CEO support from De Montfort University on a free of charge basis. As a result, an estimated value to De Montfort University Students' Union Limited for this free support has been included in the accounts.

This has been valued at £70,000 (2020: £70,000) based on an estimation of the time spent on duties for De Montfort University Students' Union Limited and market rate of pay for such duties. This income can be seen in note 4 of the financial statements under CEO support.

Income of £7,165 (2020: £139,343) was collected and purchases of £45,032 (2020: £114,156) were made on behalf of De Montfort University during the year. These transactions were reimbursed and recharged respectively to De Montfort University with a balance owing from De Montfort University Student Union Limited to De Montfort University of £13,638 (2020: £6,362) at the year-end date. Income of £29,000 (2020: £Nil) was collected in relation to De Montfort University contributions for commercial staff.

Student Union Lettings Limited (trading as Sulets)

On 1 August 2012, the trade and assets of the lettings operation (previously known as DSU Lettings) were transferred to a new limited company Student Union Lettings Limited (trading as Sulets). Sulets is a registered charity and company limited by guarantee which is jointly controlled by DSU and The University of Leicester Students Union (ULSU). ULSC controls 50% of Sulets through the 50% membership held by their subsidiary company, University of Leicester Students' Union Trading Limited. This collaboration with ULSU offers many commercial advantages within student lettings including contracts with external Halls Providers.

	2021 £	2020 £
Income	1,912,484	1,722,649
Expenditure	(1,705,926)	(1,549,718)
Net movements in funds	<u>206,558</u>	<u>172,931</u>

DE MONTFORT UNIVERSITY STUDENTS UNION LIMITED

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

20. Related party transactions (*continued*)

Student Union Lettings Limited (trading as Sulets) (*continued*)

	2021	2020
	£	£
Balance sheet		
Fixed assets	27,129	7,320
Current assets	1,654,900	1,403,524
Creditors: amounts falling due within 1 year	(172,124)	(107,497)
Total funds	1,509,905	1,303,347

The charitable company constitutes 50% of the membership, therefore the charitable company's share of income is £956,242 (2020: £861,324) and share of expenditure £852,963 (2020: £774,859). The charitable company's share of the total funds at 31 July 2021 is £754,953 (2020: £651,673).

During the year the charitable company received £10,000 (2020: £7,500) from Sulets for sponsorship of Club and Society events. In addition, Sulets paid £20,335 (2020: £17,262) for finance, HR support and rent.

All funds generated by Sulets are restricted for use by Sulets in line with the objects of that charity.

21. Controlling party

The trustees consider that the ultimate control of DSU rests with its membership.

22. Statement of financial activities incorporating income and expenditure accounts for the year ended 31 July 2020

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Income from:			
Donations and legacies	-	1,535,578	1,535,578
Charitable activities	175,601	457,320	632,921
Other trading activities	-	76,170	76,170
Investment income	-	1,252	1,252
Other income	-	74,068	74,068
Total	175,601	2,144,388	2,319,989
Expenditure on:			
Raising funds	-	100,492	100,492
Charitable activities	205,296	1,933,295	2,138,591
Total	205,296	2,033,787	2,239,083
Net movement in funds	(29,695)	110,601	80,906