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**UNIVERSITY OF CENTRAL LANCASHIRE
STUDENTS' UNION
FINANCIAL STATEMENTS
31 JULY 2021**

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

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TRUSTEE BOARD AND UNION INFORMATION

BOARD OF TRUSTEES 2021/22

Zuleikha Chikh	President (appointed 1 st July 2021)
Katie Sandison	Vice President Activities (appointed 1 st July 2021)
Usman Kasaba	Vice President Education (appointed 1 st July 2021)
Odette Yende	Vice President Welfare (appointed 1 st July 2021)
Peter Hyett	External Trustee (appointed 1 st October 2016)
Emma Sims	External Trustee (appointed 1 st June 2018)
Jill Wells	External Trustee (appointed 17 th December 2019)
Yattichia Malcolm	Student Trustee (appointed 21 st September 2021)
Rufus Onetufo	Student Trustee (appointed 21 st September 2021)
Dean Kamitsis	Student Trustee (appointed 18 th December 2019)

BOARD OF TRUSTEES 2020/21

Zuleikha Chikh	President (resigned 30 th June 2021)
Stephanie Lomas	Vice President Education (resigned 4 th June 2021)
Sophie O'Neill	Vice President Activities (resigned 30 th June 2021)
Megan Rea	Vice President Welfare (resigned 30 th June 2021)
Peter Hyett	External Trustee (appointed 1 st October 2016)
Emma Sims	External Trustee (appointed 1 st June 2018)
Jill Wells	External Trustee (appointed 17 th December 2019)
Dean Kamitsis	Student Trustee (appointed 18 th December 2019)
Anna Shabunina	Student Trustee (resigned 11 th January 2021)
Beverley Simpson	Student Trustee (resigned 22 nd June 2021)
Janine Machin	Student Trustee (resigned 22 nd June 2021)
Laura Davies	External Trustee (resigned 30 th June 2021)

KEY MANAGEMENT PERSONNEL

Chief Executive Officer (Retired 30 th June 2021)	P Shilton Godwin
Director of Operations & Acting CEO (1 st April 2021)	J Russ
Director of Communications and Membership	AWF Bone
Director of Finance and Performance	L Stott

REGISTERED OFFICE 24 Fylde Road
Preston PR1 7BY

AUDITORS Crowe U.K. LLP
Chartered Accountants & Registered Auditors
The Lexicon, Mount Street
Manchester M2 5NT

BANKERS HSBC
PO Box 70, 40 Fishergate
Preston PR1 2AD

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2021

The Board of Trustees are pleased to present their Annual Report for the year ended 31st July 2021 which includes the information set out on page 1 of this report, together with the audited accounts for that year.

The year been dominated by the consequences of the world-wide Corona virus pandemic that has dominated the news agenda and consumed the energies of the Union, its Trustees, and employees.

Through the period the Trustees identified three strategically important objectives:

- To be the authentic voice of students; listening, sharing, championing, and smiling
- The sustainability of the Union now and in the future
- The health and welfare of Union people – members, volunteers, officers, and employees

The pandemic had the potential to impact both our services and sustainability very negatively. We are pleased to be able to report that although our trading income was impacted by the campus closure, we were able to pivot to remote working, continue to operate services of vital importance to students and meet our objectives. Throughout the report we have sought to reflect our effectiveness and impact in the pandemic period as well as our business-as-usual activities.

This year, communication with students has needed to be different and has played a key part in our successful transformation overnight into a Digital Students' Union.

At the outset of the COVID-19 pandemic, the Union's social media channels and the website have become a vital part of our offer to students and has been used to provide updates, information, campaigns, and an element of fun to the students' experience. This was brought together into a single unifying campaign helping students to understand and engage our activity an ambitious objective to be the authentic voice of students; listening, sharing, championing, and smiling, a campaign that we have run a successful 'winter reboot' of during the Autumn/winter 2020 lockdowns.

For You, Through This

To ensure students still felt supported by the new digital-first Union, we launched the 'For You, Through This' campaign which was focused upon four promises we made to students. The 'For You, Through This' webpage is central to the campaign and had over 1,000 views. Alongside click throughs to other Union webpages like FAQs (Frequently Asked Questions) and articles, the page also featured Elected Officer updates and even videos, which were also released on our social media and across those channels had just under 700 views.

As part of the 'For You, Through This' campaign, our social media went hand in hand with the website and has shared an array of interactive and engaging posts about the four promises. This included, 'Share Your Stories.' Where we had several students contact us to share their experiences of what they had been doing during COVID-19, including a student mental health nurse, an Operating Department Practitioner and even a band who have created a song to raise money for NHS (National Health Service) charities.

Another part of the campaign saw the creation of the UCLan Students Union Online Community where the content is Elected Officer and student led. With nearly 500 members it

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gives students the opportunity and space to come together and feel connected while they are all learning remotely. This all went alongside some content to make students smile and bring a bit of fun to a challenging time.

The Trustee Board and the Senior Management Team remain highly alert to the implications of the pandemic and continue to respond to all government and sector guidance. The pandemic has brought a greater focus on risk with Covid specific challenges high on the Trustees' agenda reflecting the challenges to our operations and sustainability deriving from reduced trading incomes.

We were grateful for the support of our funder the University of Central Lancashire and its LIS (Learning and Information Services) team and acknowledge the importance of grants from the Job Retention Scheme (the furlough) implemented by HMG.

The report includes the information set out on page 1 of this report, together with an account of activities and impact and the audited accounts for that year.

OUR MISSION

The Union's mission is 'to make student life the best it can be' with the following long-term aims: -

- a) To promote the interests of students during their course of study.
- b) To represent, support and advise students.
- c) To provide social and recreational activities for students and, by so doing, advance the education of the students at the University of Central Lancashire for the benefit of the public.

The Union has activities and services for use by members and to support work with the University and other organisations on behalf of students. These include support for student representation throughout the University, the Union's independent Student Advice Centre, the Union's Activities Office supporting club, society and volunteering activities, Pulse Student Media, induction activities including 'Welcome Week' and discounts through Totum. The Union also provides for the daily and social needs of students on campus including the Atrium Cafe, Source Bar, and the Union Shop.

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THE UNION PLAN – TO MAKE STUDENT LIFE THE BEST IT CAN BE

STUDENT VOICE

Representing UCLan students is at the heart of everything we do. It is the one thing no one else can provide, so we must excel at it. Improving the academic experience at course, school and institution level helps every student.

STUDENT LIFE

Our members are more than the course they are studying. The right support can ensure students are able to succeed. Where we can, we should support all areas of a student's life.

STUDENT COMMUNITY

Feeling part of a new community doesn't just happen – it takes continuous effort. We have a central role to play to make this happen for students throughout their time at university.

Our 2016 to 2020 strategic plan had run its course and due to the ongoing pandemic, the finalising and launch of its replacement was delayed and we launched in early 2021, with a slightly revised mission 'to make student life the best it can be' and three key strategic themes, Student Voice, Student Life and Student Community.

This plan was the culmination of research and consultation with students with the objective of ensuring that the Union is meeting the needs of students. In support of this objective, the Union undertook a major review of student and stakeholder views and identified three key themes and a series of objectives to ensure we achieve our vision that 'every student is able to take the opportunities that UCLan offers; be inspired, succeed and achieve their goals'.

These themes are supported by our enabling objectives that set out how the Union will ensure it can achieve the theme objectives. The Union Plan can be downloaded here: www.uclansu.co.uk/union/about/strategy/

The Union, when reviewing or planning its activities, considers the Charity Commission's general and relevant guidance on public benefit and has complied with the duty in section 4 of the 2006 Charities Act to have due regard to guidance on public benefit published by the Charity Commission.

UNION ACHIEVEMENTS

The Elected Officers and staff teams worked hard to support and represent students this year; both with the issues they faced due to the Covid-19 pandemic and its impacts, as well as the officer mandated priorities, and delivery of the Union Plan. The themes of the Union Plan 2021 – 2024 are Student Voice, Life and Community and our achievements and impact in each of these themes is set out below.

STUDENT VOICE

"Representing UCLan students is at the heart of everything we do. It is the one thing no one else can provide, so we must excel at it. Improving the academic experience at course, school and institution level helps every student." (Union Strategy document)

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Considerable work was done in 2020 – 21, most notably the completion of the Student Voice and Involvement Project; in partnership with the University the project delivered:

- An institution-wide rollout of the Unitu student voice platform. This will allow students to feedback about their experiences and get responses and outcomes in a timely manner.
- Introduction of a second School President role per School to support with workload and ensure that there is effective representation at School level.
- A suite of resources for both staff and reps to clarify the roles and remits of each group, expectations of how to work together and a clarification of relevant processes e.g. elections.
- A Student Involvement Toolkit has been created to support staff in involving students in co-creation of the design and development of activity, courses, and services.

We will always defend students and ensure they are aware of what's happening; when the University took the decision to repurpose its academic support service – WISER, without appropriate consultation with either the Students' Union or students in January 2020, the VP Education compiled a report based on student testimonials and submitted this to the Vice-Chancellors group. The decision to reappropriate WISER was revised towards the end of the academic year and we are grateful that the University has increased investment in the service for the coming academic year. The VP Education was also integral in feeding in the concerns of students to the University's No Detriment Policy, as well as working with the Advice Service on the Academic Integrity Policy.

Essay mills are a growing issue on campuses enticing students to commit academic fraud, significant campaigning and lobbying by the VP Education about essay mills led to meetings with MPs and a mention of thanks by Colin Skidmore MP as he introduced his Essay Mill (prohibition) bill to parliament in February.

This year also saw the Union support and facilitate several student-led campaigns, amongst others we supported;

- The BAME students' rep with the 'Talking Matters' campaign, aiming to encourage BAME students to access mental health support when they need it, as well as a successful campaign to appoint a bi-racial counsellor to the University student services team.
- The Disabled Students' rep, we identified that many students with additional disability support needs were not declaring these to the University. To encourage students to disclose their support needs we ran a social media campaign aimed at normalising the fact that many students needed support for hidden and visible disabilities. The campaign was a big success for students disclosing disability support needs with the University. In the year from November 2019 to November 2020 self-referrals for university support increased by 165%.
- Liberation reps on the launch of the Decolonise the Curriculum campaign which will continue into the academic year 2021/22. This campaign calls on the University to review its curriculum and practices to ensure they are representative of the diversity of UCLan students.

Due to Covid19, we delivered our first ever fully online election. With candidates unable to attend campus, they were only being able to campaign online. This had an impact on our turnout which was

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lower than prior years with a turnout of 2,188 students. Covid19 did not have an impact on numbers of candidates however, with a record number of 103 candidates for the Full-time Officer, Students' Council and School President roles. The School President role remains the most popular one amongst students, with 47 candidates covering all 15 Schools. For the first time we have had candidates in all school elections, of those school elections only 3 out of the 15 were uncontested.

During the period we have increased our work in post-graduate representation. This year saw the introduction of the Postgraduate Research (PGR) Rep role, with two positions per School. To date, there are 5 elected PGR reps who we meet monthly to ensure that the Union is listening to PGR students and acting on the feedback they have about their experiences.

STUDENT LIFE

"Our members are more than the course they are studying. The right support can ensure students are able to succeed. Where we can, we should support all areas of student life" (Union Strategy document)

2020/21 was a tough year for students financially; with the pandemic came a shutdown of the hospitality industry, a sector known for high student employment. In the space of a few weeks many students employed on zero-hour contracts were left without work and fell through the support gaps, as the government job retention scheme not available to many of them and there was no access to other part-time work. We conducted research of 1,084 students and over a third (35%) were concerned about their ability to manage finances during the pandemic. This research helped to inform the work of the Officer team, with the financial support team at the University as well as our work on the various hardship funds available to students.

In addition to this our survey told us several other factors:

- 78% of students said they worked to have enough money to pay for essentials (food) and only 7% said they worked to pay for leisure activities (holidays or socialising).
- 43% of students worried that they may run out of food because of lack of money and 38% agreed that sometimes they go hungry to help make food last longer.
- 33% agreed they sometimes struggle to focus on studies because they felt hungry.

The most concerning was that 77% of students who completed the survey linked financial struggles to their mental health and wellbeing.

Between September 2020 and July 2021, our advice service received 4,136 enquiries from students. The service was able to achieve financial support gains for individual students totalling £370,779.44; interestingly £17,500 was compensation awarded for academic complaints.

This year, the VP Welfare reinstated the Take Me Home taxi scheme, to ensure students can get home safely as well as working with the S.H.A.G group to create the Sex Worker Toolkit, offering support and signposting to students who sex work. They also created an Accommodation Guide to empower students looking for housing, to know their rights and what they should expect from property owners and properties.

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In 2019 we refreshed our study support program called 'Study Good'. In 2020 we expanded this to include more physical activities to encourage students not only to 'Study Good' but also to 'Feel Good' as being active and chatting to friends was even more important given the restrictions imposed on students by the pandemic. The new schedule of online yoga and study sessions were well attended by students.

STUDENT COMMUNITY

"Feeling part of a new community doesn't just happen – it takes continuous effort. We have a central role to play to make this happen for students throughout their time at university" (Union Strategy document)

The 20/21 academic year was a difficult year for our student community to come together due to the pandemic. As people were not able to meet in person due to government regulations the majority of student group activity took place online. The Union staff team worked with committees to offer innovative online activities, and to drive recruitment of first year students. These efforts resulted in 106 affiliated Societies and 30 Sports Clubs which engaged with 3433 students throughout the year.

We have been working with the University in the development of their strategy around sport, finding common ground and working in partnership to deliver an improved experience for students who are involved in representing the University in the British University and College Sports (BUCS) competitions. This has included setting improved standards of coaching, a new single kit to aid the sense of belonging, and replacement equipment to ease the financial burden of representing the University at sport.

At times over the course of the year sport was exempt from some of the government lockdown restrictions, this enabled us to work in partnership with the University sports staff and student groups to conduct limited training for sports teams, some recreational football leagues, and a range of compliant physical activities.

Students didn't just come together in person, where allowed to do so. In the latter part of 2020, we set up a new partnership with Umii, the platform that connects UCLan students to other students based on their interests and course of study. In the first 6 months since its launch, nearly 900 students signed up to the App and when surveyed, 50% of respondents said that the App made them feel less lonely at University. Even without traditional methods to meet and form friendships, we tried other options to facilitate opportunities for meaningful relationships to form.

We continue to support a free, confidential, and independent Student Advice Centre. The service ensures students have access to qualified advisers and high quality, independent advice on money matters, academic progression, accommodation, and employment. Following the outbreak of the covid-19 pandemic, the advice service moved to an entirely online service, providing advice via e-mail, telephone and video conferencing, this online service continued throughout the period of this report.

We recognise that our membership is diverse, and it is important that we undertake work to ensure that the University experience is accessible to all. Over the period the President introduced a pilot Diversity e-Mentoring scheme to some Schools within the University, to support BAME students in

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their future career paths. The VP Education also fed into the University's work on creating an inclusive curriculum.

Following feedback from students, the President secured funding from the University to provide halal food on campus each day during Ramadan. They also successfully campaigned for the University to undertake a review of their catering provision to ensure it is inclusive and meets the needs of students.

OUR SUCCESSES & AWARDS

Virtual Union Awards

This year's Union awards were once again delivered online, at the time of writing, the awards video on YouTube has had 325 views.

We received national recognition and had 3 nominations longlisted in the National Society and Volunteering Awards. (NSVA) One was shortlisted, and Headstrong (the Men's mental health students' Union league team) were highly commended for creating a space for men to talk about mental health.

National Student Survey (NSS)

Like many Students' Unions in the country, the pandemic had a negative effect on student's perception of our ability to efficiently represent their academic issues. In this year's NSS, our score for Question 26 saw a decline of 3% on last year to 58%. Whilst we saw a decline in our score, we remained above the sector average and found ourselves in the top quartile of institutions for the first time. All student voice scores have fallen this year compared to last year and are the lowest they have been. We are hopeful that the work on the student voice project and implementation of changes in the academic year ahead will have a positive impact on these scores.

Our 'One of Us' welcome campaign was submitted to the Havas Education Marketing Awards and was successful in being short-listed under the category of 'Best Student Engagement Campaign'

STRUCTURE GOVERNANCE AND MANAGEMENT

Our CEO, Pete Shilton Godwin, retired in June 2021 after 15 years of service. The board of trustees would like to take this opportunity to thank Pete for his tireless work for the charity and its beneficiaries, he is dedicated to the student movement, and we consider ourselves fortunate to have benefited from his knowledge and experience as he leaves a strong and sustainable charity with students at its heart. Jon Russ, an experienced member of the Union's senior leadership team, acts as interim CEO whilst the Union recruits a permanent replacement.

For the period represented by these accounts the UCLan Students' Union operated as a company limited by guarantee (Company No. 7623917) and this company registered as a charity (Registered Charity No. 1142616). The Governance of the Union and its powers are set out in the Articles of Association. The Union operates on democratic principles with a Students' Council having the powers to approve the general policy of the Union and to represent the voice of students at the University. The Students' Council membership comprises the Union's Elected Officer team, together with representatives of student communities, demographics, and academic schools.

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In the period covered by this report the Union was governed by its Board of Trustees comprising four elected students, four students appointed by the Board and four external (lay) Trustees. This arrangement ensures that the Board has the diverse range of skills, knowledge and experience needed in order to carry out its role effectively. The elected officer roles of Union President, Vice President Education, Vice President Welfare and Vice President Activities are full-time paid posts and remunerated as authorised by the 1994 Education Act. Other Trustee roles are volunteers. Attendance at meetings is set out below.

Board Members	Trustee Category	Meetings attended (% Attendance)
Zuleikha Chikh	Officer - Union President	4 (of 4) (100%)
Sophie O'Neill	Officer - Vice President Activities	4 (of 4) (100%)
Steph Lomas	Officer - Vice President Education	3 (of 3) (100%)
Megan Rea	Officer - Vice President Welfare	3 (of 4) (75%)
Emma Sims	External	2 (of 4) (50%)
Peter Hyett	External	4 (of 4) (100%)
Laura Davies	External	4 (of 4) (100%)
Jill Wells	External	3 (of 4) (75%)
Dean Kamitsis	Student	4 (of 4) (100%)
Beverly Simpson	Student	4 (of 4) (100%)
Janine Machin	Student	3 (of 4) (75%)
Anna Shabunina	Student	1 (of 2) (50%)

The Trustees of the Charity receive an induction into their legal and administrative responsibilities from the National Council for Voluntary Organisations (NCVO) of which the Union is a member, participate in learning and development opportunities offered by the National Union of Students (NUS) and others and have on-going training to ensure they are sufficiently well informed to carry out their responsibilities.

The Unions Board has received copies of the new NUS Governance Code (2018) published in conjunction with the NCVO and decided to adopt the new code; The board initiated an external review of the code's application in the union by the NCVO; this review was carried out during the autumn of 2020 and NCVO reported its findings along with 26 recommendations to the board of trustees in December 2020, a governance working group was set up to undertake the review and implementation planning of the recommendations within the report, satisfactory progress has been made on this plan and the full board receive updates at each of their meetings. The Union believes it meets the requirements of the code and is committed to using the new code to ensure the charities continuous improvement.

The Board of Trustees, assisted by Sub-Committees has delegated the day-to-day running of the Union to the Chief Executive Officer, Peter Shilton Godwin and, from April 2021, Jon Russ as acting CEO, through a Statement of Delegated Authority (SODA). The Trustees of the Charity receive regular reports from Chief Executive and senior managers and review the Union's performance.

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The relationship between the Board and the Chief Executive is fundamental to effective governance and management of the Union. It is the responsibility of the Board to ensure that the Chief Executive has clear objectives, to review performance and consider the development of their employees alongside that of the charity. One element of this is to ensure that the CEO is appropriately remunerated, and that the basis of this remuneration is understood by the Board and CEO. The Board has undertaken a review of salaries and benefits paid to CEOs in students' Unions and the voluntary sector in order to establish a suitable level of remuneration.

RISK MANAGEMENT

The Board of Trustees have examined the major strategic business and operational risks faced by the Union and established a Finance, Audit & Risk Committee to monitor the major risks to which the charity is exposed. The Union has a risk register that is reviewed and updated at least annually. Where appropriate the Union has established systems or procedures to mitigate the risks the charity faces.

The Covid 19 pandemic has brought a greater focus on risk with Covid specific risks high on the Trustee's agenda reflecting the challenges to our operations and sustainability deriving from reduced trading incomes. Recognising the dynamic position, the Board established a small Finance and Resources Committee to enable swift decision-making outside of the normal meeting cycle should this be desirable or required.

Budgetary, fraud and internal control risks are minimised by the implementation of procedures for the authorisation of all transactions and projects. Procedures are in place to ensure compliance with health & safety of staff, volunteers, and participants in all the activities organised by the Union. These procedures are reviewed periodically to ensure they are effective and continue to meet the needs of the charity. The Union has not made any serious incident reports to the Charity Commission in the current year.

THE RELATIONSHIP BETWEEN THE UNION AND UCLan

The University of Central Lancashire's Code of Practice in relation to the Students' Union and the Union's Articles of Association approved by both organisations regulate the relationship between the Union and the University of Central Lancashire.

The Union receives a grant from the University and occupies buildings owned by the University. The University also pays for utilities, caretaking and cleaning staff as well as providing support for ICT networks, health & safety advice, HR advice and telecommunications. This non-monetary support is integral to the success of the Union and to the relationship between the University and the Union. In the current year, reflecting the requirements of the SORP, this non-monetary support totalling £562,814 is included in the Union's Accounts.

In order to strengthen and deepen our partnership in 2017 the President of the Union, Chair of the Board of the University, the University Vice-Chancellor, and Union's Chief Executive Officer signed a Partnership Agreement. Based on guidance from the NUS (National Union of Students) and Association of University Chairs the partnership agreement codifies how the two bodies will work together in their mutual interest.

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AFFILIATIONS TO OTHER BODIES

The Union affiliates to several organisations in order to benefit from training, professional development opportunities and information as follows: Child Poverty Action Group (CPAG), Advice UK, National Association of Housing Advisory Services (NHAS), Money Advice Trust, National Association of Student Money Advisers (NASMA).

We also affiliate to the British Universities and Colleges Sports Association (BUCS) and the national and local governing bodies (NGBs) of the following sports, American Football, Archery, Association Football, Athletics, Basketball, Fencing, Golf, Hockey, Jiu Jitsu, Lawn Tennis, Netball, Rugby Football Union, Rugby Football League, Tae Kwon-do and Volleyball to facilitate student sport participation and inter University competition.

The Union also affiliates to the NUS (National Union of Students) (NUS UK) for the national representation of student's interests and the wider range of benefits, support, and cost savings it receives. The Union is an active participant in, NUS UK and NUS Charity and their related companies to ensure that the organisation continues to function effectively on behalf of members. The Trustees have reviewed the cost and benefit of NUS membership and are content that there is significant net benefit from our involvement.

FINANCIAL REPORT

The financial report represents a year where Trading Services were restricted by Covid-19 and all core services were maintained on-line. Employees continued to work from home delivering an excellent service despite a major increase in demand as we fulfilled our role as the independent voice of the student.

Net Operating result for the year 2020/21

After a full year of Covid-19 restrictions and unrepresented challenges an operating surplus of £29k is one we have worked hard to achieve. With the assistance from the Job Retention Scheme funding of £73k (Last Year £129k), we were able to retain a handful of employees with the knowledge and skills ready for reopening our Trading Services for next year. Unfortunately, the long-term effects of the pandemic have led to redundancies incurring costs of £28.7k reported as an exceptional item disclosed in note 11.

Accounting for the Union's share of the Student Union Superannuation Scheme (SUSS) included a revaluation last year increasing the liability by £415k. This year is the 1st year we have opted to pay our contributions annually, declining the offer of a three-year advanced payment as the uncertainty around the pandemic is still apparent and a commitment of over a quarter of a million pounds was not a priority at this time. The SUSS pension scheme year begins in October therefore only nine monthly payments are included at £61k. This has been offset by the pension discount unwinding adjustment which deals with the time value of money, an accounting adjustment, at a cost of £23k reducing the SUSS pension liability in total by £38k. Please see note 21 for further details.

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During the Covid-19 lock down in November and December 2020 casual trading staff were paid 80% of their average weekly pay as the Union utilised the Job Retention Scheme, until it was necessary to close these services until the next academic year (Sept 2021). This decision was taken as there was little activity on campus and the recovery from the pandemic was not going to be as planned. Core salaried staff, unable to work from home, were also added to the scheme and retained for their skills needed for reopening in September 2021. Recruitment of casual staff was, for a short period, lowering this year's staff average from 107 to 55 employees. Staff costs, reported in note 12, fell to £1.1m (2019/20 £1.37m) and represented 52% of operating expenditure (2019/20, 43%). Casual labour expenditure fell from £235k to £74k and the average number of students employed each month has fallen from 62 to 15 as most casual roles within the Union are front line services or activity roles which were restricted through the pandemic. The Student Union Superannuation Scheme is a closed pension scheme, and all eligible staff are in an auto-enrolled scheme in which contributions have remained at 5%. The Union's policy is to match employee contributions up to 6%, which is higher than the legal minimum employer contribution of 3%.

The financial statements reflect the value attributed to the accommodation and services provided to the Union by the University in 2020/21 of £562,814 (2019/20 £550,996) as a benefit in kind which is reported as both restricted charitable income and charitable expenditure.

The Union's Clubs and Societies operate within agreed delegated authorities though the Union is responsible for reporting income collected and expenditure. In the year Clubs and Societies deposited £37,301 expended £29,490 and the Union archived several inactive groups with net funds of £12k adding to the funds created last year. The archived accounts are held in Designated Reserves and now total £30k (Note 20) for Clubs and Societies to bid into for the benefit of their group utilising the funds inclusively. The carried forward balances of £91,002 represents a fall of 4% in Funds for 113 groups, (Last Year 148 groups). Group activity was difficult through the pandemic although some groups did use the technology available reverting to teams virtual meetings.

Notes 3 to 11 provided detailed analysis of income and expenditure during the year with previous year's comparisons, however the following specific comments can be made on the themes included in the Union Plan, Community, Life and Voice.

Community and Life are the responsibility of the Director of Operations bringing together trading services, volunteering, and sporting activities to aid cross department working. In April 2021 our current CEO, Peter Shilton Godwin, retired and the Director of Operations was appointed to the position of acting CEO. The Director of Operations role has remained vacant due to the pandemic and the restrictions enforced on activity. The staff team have pursued alternative methods to support all groups through this difficult time. Costs have fallen by £174K (24%) due to the absence of the Director role part way through the year and the lack of physical activity saving event costs.

Voice is managed by the Director of Communications appointed April 2019. Investment in student engagement, at a strategic level, is essential to ensure we deliver a clear message to our students. We will enjoy this investment from September 2021 where all the work through the pandemic can be shared from a new web site and via our new brand, which was created after a year of research and development with our students, employees, the University, and other stakeholders. Expenditure has increased by 4% as Director costs are included for a full year and all the support and services were

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maintained through staff quickly adapting to home working, maintaining high standards and ensuring students were the only priority.

Trading Services - All areas have been unable to achieve any traction with our students due to the trading restrictions and the lack of foot fall on campus. Unrestricted sales at £149k are 13% of last year's sales, £1,154k. Unrestricted costs have fallen by £885k (63%). A small team were retained for reopening in September 2021 and covered partially by the Job retention scheme funding of £73k.

BALANCE SHEET AT 31 JULY 2021

The Balance Sheet shows negative net funds of £1,257k (2019/20 £1,229k). The increase in the negative net fund reflects the small net deficit of £28k after accounting for exceptional costs of £33.9k and pension discount unwinding costs of £23k. The Balance Sheet will remain stable with the annual payments to the Pension scheme as the 3-year advance payments created substantial movements in the pension valuation which required explanation. The trustees are aware of the issues surrounding the pension liability and recognise it as a long-term issue rather than an immediate risk. The fact that the scheme is closed provides some degree of risk management with respect to the liability however the trustees make sure that both trustees and officers keep up to date with all issues that impact on the scheme and the Union is an actively engaged employer member.

Note 20 confirms the accumulated funds held by the Student Union. Some funds are restricted in their use as they are linked to specific income received in previous years which can only be used for the purposes for which it is given. Restricted funds include Club & Society funds which are held by the Union, on behalf of the groups, for use in their respective groups. The constitution of the groups allows the Union to archive groups which are inactive for 2 years and close those which are inactive for 3 years, all funds are transferred to either an archive designated reserve or a Club/Society bidding designated reserve. This ensures funds are utilised to benefit students and current groups are easily identified and supported. The SUSS pension deficit of £1.546m is a negative restricted fund, which the Union recognises separately for clarity and its unique purpose.

General funds represent uncommitted accumulated funds and provide a measure of financial flexibility should the Union encounter financial challenges in any particular year. This year general reserves have increased from £82k to £158k as the Building Designated Reserve fund has been transferred in full (£150k) to the general reserve due to a contingent liability (note 28). The Union has for several years benefited from a HM Revenue and Customs (HMRC) catering concession which allows for the treatment of catering sales on campus to be exempt from VAT, 0%. Three Unions received official letters from HMRC allowing this treatment and it has been common practise to include all catering sales across most Students' Unions. HMRC have recently said their letters were incorrect and Bar Catering should not be included. NUS, Bates Wells and several other Unions, including ours, have launched a legal challenge. Whilst the dispute continues, we have disclosed a contingent liability of circa £97k on the basis of any payments to HMRC being less than 50% likely to arise and trust the unfair treatment across the industry will ensure this does not crystalise into a cost to the Union.

Designated funds are created when the trustees themselves choose to ring fence funds accumulated, over a period, for a particular project or purpose. At the end of 2017/18, the trustees decided to allocate accumulated funds to meet any costs to the Union in the future because of building improvements/alterations to the Union building because of the implementation of the University's

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2021

campus Master Plan. Due to the contingent liability all funds have been transferred back to general reserves as Capital investment is put on hold until the contingent liability is concluded or when trustees decide adequate resources are available to return funds to the Designated fund.

Each year the trustees consider the accumulated funds to make sure that they are satisfied that the Union is making best use of charitable funds. Note 20 confirms that, at the end of the year, the Union had cash reserves (Unrestricted funds) of £198k, (2019/20 £261k).

The Net Present Value of the SUSS scheme's future payments scheduled in the recovery plan are adjusted every year for the time value of money and every 3 years to include the findings of the Triannual Actuary report, the latter, included last year, increased the liability by £415k. The Board informed the University that the next three-year advance payment scheme was due and given the uncharted water of the pandemic it has been decided to revert to an annual payment. This offers to smooth the treatment of the Scheme over the next three years until the next actuarial valuation is adopted in the July 2023 yearend statutory accounts.

The activities in 2020/21 generated cash of £66.7k. After allowing for acquiring fixed assets and financing activity this reduced to an outflow of £2k, which when deducted from the existing cash balances meant the Union held cash of £243k. Note 24 matches the available reserves with the available liquid funds and though these are currently not sufficient, the shortfall is considered manageable as strict procedures are in place to ensure reserves are not committed unless there are available liquid resources.

RESERVES POLICY

The Trustees monitor reserves at a Board and sub-committee level. They consider that free reserves should be equivalent to around 80% of unrestricted funds (including fixed assets and designations) to ensure the Union has sufficient funds to meet any unexpected liabilities and to allow it to develop activities and operations in line with the strategy for the benefit of students. This equates to a target level of free reserves as at 31 July 2021 of £157,000 (to the nearest thousand pounds).

Total reserves as at 31 July stood at a deficit of £1,257,005. Restricted funds (due to the pension liability) were a deficit of £1,455,464, designated funds were £40,552 and unrestricted funds that are fixed assets are £41,632, leaving free reserves as a surplus of £116,272.

Designated reserves of £40,552 (2020 £178,639) included £30,122 (2020 £18,809) in relation to Clubs and Societies. The Clubs and Societies designated reserve is held for specific bids and its utilisation will be dependent upon the bids received.

As detailed in the balance sheet review, there are strict procedures in place to ensure reserves are not committed unless there are available liquid funds. The trustees also have the flexibility to release funds from designated reserves at any time. Commercial operations are being closely monitored to ensure a return to operational profitability which should generate additional funds to allow free reserves to reach the target level.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2021

FUNDRAISING REPORT

The Union does not make direct fundraising appeals to its members. Our societies, on occasion, carry out fundraising activities for their society funds and for their favourite charities. We provide guidance to students based on the Union's Bye-law 11 of its Constitution. No complaints were received concerning these fundraising activities.

CUSTODIAN ACTIVITIES

The Union act as custodian for funds raised by the Union's many clubs and societies from their own activities and for their own use.

TRUSTEES RESPONSIBILITIES

Charity law and UCLan Students' Union's Articles of Association require us as trustees to prepare Annual Financial Statements giving a true and fair view of the state of the affairs of the Union at its year end and of the Union's income and expenditure for the year. In preparing these statements we are required to: -

- select the most suitable accounting policies and apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the Financial Statements on a going concern basis unless it is not appropriate to presume that the Union will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable us to ensure that the Financial Statements comply with charity law and the requirements of the Union's Board of Trustees and the University under the 1994 Education Act. We are also responsible for safeguarding the assets of the charity and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SMALL COMPANIES NOTE

In preparing this report, the directors (trustees) have taken advantage of the small companies' regime exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board on 14/1/22 and signed on its behalf.



Zuleikha Chikh
President and Chair of the Board of Trustees



Jon Russ
Acting Chief Executive

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

YEAR ENDED 31 JULY 2021

Opinion

We have audited the financial statements of University of Central Lancashire Students' Union for the year ended 31 July 2021 which comprise Statement of Financial Activities, Balance Sheet, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

YEAR ENDED 31 JULY 2021

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- 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

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

YEAR ENDED 31 JULY 2021

- 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 in preparing the trustees' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement 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 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.

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulation that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulation we considered in this context were the Companies Act 2006, Charities Act 2011 and employment legislation.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

YEAR ENDED 31 JULY 2021

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greater risk of material impact on the financial statements from irregularities, including fraud, to be override of controls by management and completeness of non-block grant income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, sample testing of non-block grant income from grant documentation, testing sequentiality of till reports, sample testing of trading income from till reports to the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

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.



Michael Jayson

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

The Lexicon
Mount Street
Manchester
M2 5NT

14 January 2022

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 JULY 2021

		2021			2020
	Note	Restricted £	Unrestricted £	Total £	Total £
INCOME FROM:					
Voluntary income	3	-	1,287,839	1,287,839	1,188,736
Grants and other funding	4	-	73,213	73,213	129,738
Charitable activities	5	600,115	207,560	807,675	1,907,686
Other trading activities	6	-	1,230	1,230	3,442
Investments		-	36	36	1,165
Income from Operations		600,115	1,569,879	2,169,994	3,230,767
EXPENDITURE ON:					
Charitable activities:					
Membership services	7-9	279,449	1,028,359	1,307,808	1,623,476
Primary purpose trading	7-9	312,855	520,363	833,218	1,533,397
Pension Discount	11 /	(22,976)	-	(22,976)	(415,440)
Unwinding Cost	21				
Exceptional Expenditure	11	-	(33,900)	(33,900)	(30,294)
Expenditure from Operations		592,304	1,548,722	2,141,026	3,156,873
Total Expenditure		(615,280)	(1,582,622)	(2,197,902)	(3,780,524)
Net Operating Result for the year - Surplus/(Deficit)		7,811	21,157	28,968	73,894
Net Result for the year Surplus/(Deficit)		(15,165)	(12,743)	(27,908)	(371,840)
Total funds brought forward		(1,489,448)	260,350	(1,229,098)	(857,258)
Reserves Transfer	20	49,152	(49,152)	-	-
Total funds carried forward		(1,455,461)	198,456	(1,257,007)	(1,229,098)

The charity has no recognised gains or losses other than the results as set out above.
All of the activities of the charity are classed as continuing.

The notes on pages 23 to 45 form part of these financial statements.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

BALANCE SHEET

Company No: 07623917

31 JULY 2021

	Note	31/07/2021 £	31/07/2020 £
FIXED ASSETS			
Tangible fixed assets	13	41,632	80,524
Investments	14	1	1
		<u>41,632</u>	<u>80,525</u>
CURRENT ASSETS			
Stock	15	26,220	50,569
Debtors	16	101,769	103,963
Cash at bank and in hand		<u>243,452</u>	<u>245,506</u>
		371,441	400,038
CREDITORS:			
Amounts due within one year	17	(209,913)	(185,847)
NET CURRENT ASSETS		<u>161,528</u>	<u>214,191</u>
Total assets less current liabilities		203,160	294,716
CREDITORS: amounts due after more than one year	18	<u>(1,460,166)</u>	<u>(1,523,488)</u>
NET ASSETS	23	<u>(1,257,005)</u>	<u>(1,228,772)</u>
FUNDS			
Restricted funds			
- Pension Deficit Reserve		(1,546,464)	(1,584,552)
- Students' Societies & Club Funds		91,002	95,104
- Total Restricted Funds		<u>(1,455,462)</u>	<u>(1,489,448)</u>
Unrestricted funds			
- General Funds		157,904	82,037
- Designated Funds		40,552	178,639
- Total Unrestricted Funds		<u>198,456</u>	<u>260,676</u>
TOTAL FUNDS	19	<u>(1,257,005)</u>	<u>(1,228,772)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provision of FRS 102 Section 1A – small entities.

These financial statements were approved and signed by the Board of Trustees on 14/1/2022



Z Chikh
President



J Russ
Acting Chief Executive

The notes on pages 23 to 45 form part of these financial statements.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

CASH FLOW STATEMENT

31 JULY 2021

		2021	2020
Net cash (outflow)/inflow from operating activities	27	66,831	44,581
<u>Investing activities</u>			
Payments to acquire tangible fixed assets		(7,855)	(30,413)
<i>Net cash flow from investing activities</i>		(7,855)	(30,413)
<u>Financing activities</u>			
Repayment of Pension Deficit		-	-
Repayment of bank loans		(61,065)	-
Interest received		36	1,165
<i>Net cash flow from/ (used in) financing activities</i>		(61,029)	1,165
Increase/(Decrease) in cash and cash equivalents		(2,053)	15,333
Cash and cash equivalents at start of year		245,506	230,173
Cash and cash equivalents at end of year		243,453	245,506

The notes on pages 23 to 45 form part of these financial statements.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

1. GENERAL INFORMATION

University of Central Lancashire Students' Union is a registered charity in England and Wales, with the charitable object of advancing the education of students at the University of Central Lancashire.

The charity is a private company limited by guarantee (Co No 07623917), with the registered office and principal address at Fylde Road, Preston, PR1 6BY.

2. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared in accordance with the Companies Act 2006, Charities Act 2011, Statement of Recommended Practice 'Accounting and Reporting by Charities' 2015 ('SORP'), and the Financial Reporting Standard 102.

The Trustees consider the charity to be a public benefit entity.

The Students' Union long term plan 'students have the best ideas' for 2016-20 presents the activities of the Union in Themes: Connected, Inspired, Represented and Supported. To ensure the Union is sustainable there are two other themes which are Business and Central Support Cost. The Trustee's report details progress within the themes and the financial report details the costs associated with this activity. Central Support Costs cannot be allocated directly to a theme, so these are apportioned. Metres squared have been used to allocate Central Support Costs.

(b) Incoming resources

All incoming resources are recognised in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income and the amount can be quantified with reasonable certainty. Incoming resources are not shown net of expenditure.

(c) Grants received

Revenue grants other than the block grant are credited to the SOFA in the year in which they are received. The block grant is credited to the SOFA in the year in which it is receivable. In the SOFA grants are shown as income and the related expenditure disclosed as appropriate.

(d) Resources expended

All expenditure is accounted for on an accruals basis and is stated net of VAT.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs which can be directly allocated to activities and those costs of an indirect nature necessary to support them.

Costs are allocated between the expenditure categories of the SOFA based on usage of the resource.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

2. ACCOUNTING POLICIES (CONTINUED)

(d) Resources expended (continued)

Where costs cannot be directly allocated they are apportioned on an appropriate basis and recognised in SOFA. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

(e) Tangible fixed assets

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

Building costs	– 10% p.a. straight line
Alterations to premises	– 20% - 25% p.a. straight line
Office equipment	– 20% - 25% p.a. straight line
Fixtures and fittings	– 20% p.a. straight line
Motor vehicles	– 25% p.a. straight line

Assets are capitalised if they cost more than £5,000 and are expected to last more than one year.

(f) Investments

Fixed asset investments are valued at cost.

(g) Stock

Stock is valued at the lower of the cost and its net realisable value.

(h) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(i) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

(j) Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

2. ACCOUNTING POLICIES (continued)

(k) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(l) Operating lease agreements

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

(m) Accounting for Accumulated Funds

The Students' Union has three distinct types of accumulated funds in its balance sheet: -

Restricted funds representing unspent funds at the end of the financial year to be spent on particular activities as specified by the donor.

Unrestricted general funds arising from the accumulated surplus from its various activities held to provide a measure of financial flexibility in the future.

Designated Funds are general funds set aside by the Board of Trustees for a specific purpose.

The income and expenditure are shown in the SOFA.

The assets and liabilities representing each fund are shown in the notes to the accounts.

(n) Pension costs

The Charity participates in the Students' Union Superannuation Scheme, a multi-employer defined benefit pension scheme. Where it is not possible for the Charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme, it accounts for the scheme as a defined contribution scheme.

Where the scheme is in deficit and where the Charity has agreed, with the scheme, to participate in a deficit funding arrangement the Charity recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. This amount is expensed in the Statement of Financial Activities and is held on the Balance Sheet as a restricted reserve.

The Union participates in the NUS Pension Scheme, a defined contribution scheme. A defined contribution plan is a pension plan under which the Charity pays fixed contributions into a separate entity. Once the contributions have been paid the Charity has no further payments obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Charity in independently administered funds.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

2. ACCOUNTING POLICIES (CONTINUED)

(o) Taxation

No provision is made in these accounts for corporation tax as the Union is exempt from such taxes as a result of its charitable status.

(p) Going concern

The Trustees are aware that the Union is technically insolvent due to the net liability position. However, this is caused by the pension creditor which is largely payable over the next 14 years. The Union is in a net current asset position and the Union continues to seek to generate funding from various trading activities but it will continue to be dependent on the support of the University of Central Lancashire for which the Trustees express their thanks on behalf of the members of the Union. There is no reason for the Union to believe this financial or non-monetary support from the University will not continue for the foreseeable future. In 2011 the Union and University agreed a Memorandum of Understanding between the organisations to support the continuing payment of the block grant and the non-monetary support. By law, the University must fund a Students' Union.

(q) Judgements in applying accounting policies and key sources of estimation uncertainty

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the 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 addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation, and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment and note 2 (e) for the useful economic lives for each class of assets.

(ii) Multi-employer defined benefit pension scheme

The Charity participated in the Students' Union Superannuation Scheme; a multi-employer defined benefit pension scheme with other Students' Union organisations. In the judgement of the trustees, the Charity does not have sufficient information on the plan's assets and liabilities to be able to reliably account for its share of the defined benefit obligations and plan assets. Therefore, the scheme is accounted for as a defined contribution scheme, see note 20 for further details.

The Charity must measure its defined benefit obligation on a discounted present value basis. The Charity must determine the rate used to discount the future payments by reference to market yields at the reporting date on high quality corporate bonds. The term of the corporate bonds shall be consistent with the estimated period of the future payments.

(iii) Treatment of Clubs and Societies

The Charity has significant control over the finances and activities of clubs and societies and therefore considers them to be part of the Charity. As such, it accounts for them as if the Union is the principal in transactions with income and expenditure being presented in the Statement of Financial Activities.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2021

3. VOLUNTARY INCOME

	Restricted	Unrestricted	Total 2021
	£	£	£
Grant Funding	-	1,287,839	1,287,839
Zero Waste	-	-	-
Hate Crime project	-	-	-
Projects	-	-	-
	-	1,287,839	1,287,839

	Restricted	Unrestricted	Total 2020
	£	£	£
Grant Funding	-	1,181,710	1,181,710
Zero Waste	3,871	-	3,871
Hate Crime project	2,000	-	2,000
Projects	1,155	-	1,155
	7,026	1,181,710	1,181,736

4. GRANTS AND OTHER FUNDS

	Restricted	Unrestricted	Total 2021
	£	£	£
Job Retention Scheme claims	-	73,213	73,213
	-	73,213	73,213

	Restricted	Unrestricted	Total 2020
	£	£	£
Job Retention Scheme claims	-	129,738	129,738
	-	129,738	129,738

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted	Unrestricted	Total 2021
	£	£	£
Voice	102,583	12,500	115,083
Life	73,398	1,951	75,348
Community	111,279	43,883	155,162
Membership Services	287,260	58,333	345,593
 Primary Purpose Trading Activities	 312,855	 149,227	 462,082
 Total	 600,115	 207,560	 807,675
 Charitable activities			
Direct Income from charitable activities	37,301	-	37,301
Benefit in kind –			
Accommodation & Service	562,814	-	562,814
Clubs and Societies - Income	-	207,560	207,560
	600,115	207,560	807,675

	Restricted	Unrestricted	Total 2020
	£	£	£
Voice	96,062	10,903	106,965
Life	80,932	5,847	86,779
Community	186,162	80,050	266,212
Membership Services	363,156	96,800	459,956
 Primary Purpose Trading Activities	 294,133	 1,153,596	 1,447,730
 Total	 657,289	 1,250,397	 1,907,686
 Charitable activities			
Direct Income from charitable activities	106,293	-	106,293
Benefit in kind –			
Accommodation & Service	550,996	-	550,996
Clubs and Societies - Income	-	1,250,397	1,250,397
	657,289	1,250,397	1,907,686

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

6. OTHER TRADING INCOME

	Restricted	Unrestricted	Total
	£	£	2021 £
Marketing	-	1,230	1,230
	-	1,230	1,230
	Restricted	Unrestricted	Total
	£	£	2020 £
Marketing	-	3,442	3,442
	-	3,442	3,442

7. CHARITABLE ACTIVITIES

Restricted and Unrestricted Expenditure by Theme

	Restricted	Unrestricted	Total
	£	£	2021 £
Membership Services			
Voice	102,583	656,506	759,089
Life	73,398	115,513	188,911
Community	103,468	256,340	359,808
	279,449	1,028,359	1,307,808
Primary Purpose Trading Activities	312,855	520,363	833,218
	592,304	1,548,722	2,141,026
Direct Costs Plus Benefit in Kind			
Direct expenditure	-	1,548,722	1,548,722
Clubs and Societies - Expenditure	29,490	-	29,940
Benefit in Kind – Accom & Services	562,814	-	562,814
	592,304	1,548,722	2,141,026
	Restricted	Unrestricted	Total
	£	£	2020 £
Membership Services			
Voice	95,982	631,346	727,328
Life	80,990	144,699	225,689
Community	183,087	314,025	497,112
Projects	7,147	-	7,147
	367,206	1,090,069	1,457,276
Primary Purpose Trading Activities	294,064	1,405,443	1,699,507
	661,270	2,495,513	3,156,783

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

Direct Costs Plus Benefit in Kind

Direct expenditure on charitable activities

- 2,495,603 2,495,603

Clubs and Societies - Expenditure

103,127 - 103,127

Restricted projects

7,147 - 7,147

Benefit in Kind – Accom & Services

550,996 - 550,996

661,270 2,495,603 3,156,873

8. CHARITABLE ACTIVITIES

Direct & Support Expenditure by Theme

	Activities undertaken directly	Support costs	Total 2021
	£	£	£
Membership Services			
Voice	699,703	59,386	795,089
Life	146,421	42,490	188,911
Community	316,982	42,826	359,808
	1,163,106	144,702	1,307,808
Primary Purpose Trading Activities	652,105	181,113	833,218
Total	1,815,211	325,815	2,141,026

	Activities undertaken directly	Support costs	Total 2020
	£	£	£
Membership Services			
Voice	666,955	60,373	727,328
Life	174,824	50,865	225,689
Community	446,916	50,196	497,112
Projects	7,147	-	7,147
	1,295,841	161,435	1,457,276
Primary Purpose Trading Activities	1,514,647	184,860	1,699,507
Total	2,810,488	346,295	3,156,783

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

9. Charitable activities Charitable expenditure by cost type

	Membership Services £	Primary Purpose Trading Activities £	Central Support Costs £	Total 2021 £
Good for Resale	28,976	74,233	-	103,208
Salaries & Wages	708,999	212,295	194,137	1,115,431
Training, Development & Travel	7,654	405	8,706	16,765
Other Employment Costs	1,194	2,290	22,456	25,939
NUS Affiliation	30,774	-	-	30,774
Clubs & Societies – Transport, Facilities & Affiliation	28,181	123	4,415	32,719
Insurance	5,283	992	23,665	29,940
Buildings – Repairs and Cleaning	-	1,783	3,231	5,014
Essential Materials	580	4,566	12	5,158
Equipment and Software	20,258	12,355	20,861	53,475
Minibus Expenditure	9,780	-	-	9,780
Advertising and Marketing	8,652	1,235	1,000	10,887
Finance Expenses	875	4,097	943	5,915
Professional Expenses	13,293	4,325	21,000	38,618
Administration Charges	11,061	1,252	6,139	18,451
Depreciation - Refurbishment	9,276	10,390	-	19,666
Depreciation - Equipment	6,322	18,294	2,367	26,938
Benefit in kind - Accommodation and Services	242,460	303,469	16,884	562,814
Restricted Club and Society Costs	29,490	-	-	29,490
	1,163,106	652,105	325,815	2,141,026
Central Support Cost Allocation	144,702	181,113	(325,815)	-
Total	1,307,808	833,218	-	2,141,026

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

	Membership Services £	Primary Purpose Trading Activities £	Central Support Costs £	Total 2020 £
Good for Resale	187,757	480,277	-	668,034
Salaries & Wages	731,614	440,604	195,457	1,367,675
Training, Development & Travel	12,235	1,002	7,125	20,362
Other Employment Costs	1,245	2,751	29,777	33,773
NUS Affiliation	43,629	-	-	43,629
Clubs & Societies – Transport, Facilities & Affiliation	52,069	2,846	-	54,915
Insurance	7,117	-	25,817	32,934
Buildings – Repairs and Cleaning	170	3,239	8,422	11,831
Essential Materials	3,348	24,091	-	27,439
Equipment and Software	4,460	27,163	12,713	44,336
Minibus Expenditure	17,233	-	-	17,233
Advertising and Marketing	442	2,991	950	4,383
Finance Expenses	2,306	24,743	4,538	31,587
Professional Expenses	12,890	12,818	12,848	38,556
Administration Charges	19,794	3,071	23,900	46,765
Depreciation - Refurbishment	-	12,781	-	12,781
Depreciation - Equipment	14,151	25,430	6,520	46,101
Benefit in kind - Accommodation and Services	248,364	284,404	18,228	550,996
Restricted Club and Society Costs	103,127	-	-	103,127
	1,461,951	1,348,211	346,295	3,156,457
Central Support Cost Allocation	161,435	184,860	(346,295)	-
Total	1,623,386	1,533,071	-	3,156,457

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2021

10. GOVERNANCE COSTS

	Total 2021 £	Total 2020 £
Audit	6,000	7,800
Insurance	1,850	1,333
Board away day	-	56
Board refreshments	105	-
Travel Expenses	-	137
Leaving gift	-	250
NCVO – Consultancy Fees – Governance Review	4,875	-
Civil Subscription	550	550
	13,380	10,126

11. EXCEPTIONAL AND SIGNIFICANT ITEMS

	Restricted £	Unrestricted £	Total 2021 £
Redundancies and exiting costs	-	28,760	28,760
Working from Home Equipment	-	5,140	5,140
SUSS Pension Deficit Discount			
Unwinding	22,976	-	22,976
	22,976	33,900	56,876

	Restricted £	Unrestricted £	Total 2020 £
Redundancies and exiting costs	-	9,394	9,394
Stock write-off	-	14,556	14,556
Holiday accrued during Furlough	-	4,195	4,198
Working from Home Equipment	-	2,146	2,146
SUSS Pension Deficit Revaluation	415,440	-	415,440
	415,440	30,294	445,734

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2021

12. STAFF COSTS AND NUMBERS

	Total 2021 £	Total 2020 £
Wages and salaries	945,914	1,189,393
National insurance	79,568	83,111
Pension costs	89,949	95,180
	<u>1,115,431</u>	<u>1,367,674</u>

Key management personnel, as disclosed on page 1, received remuneration of £181,937 (2020: £174,226).

No employee (2020 - 21) received remuneration in excess of £60,000.

The average number of staff employed by the charity was:

	2021 No.	2020 No.
Full time staff	40	45
Student staff	15	62
	<u>55</u>	<u>107</u>

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

13. FIXED ASSETS

	Building costs £	Motor Vehicles £	Fixtures & Equipment £	Total £
Cost				
As at 1 August 2020	1,054,667	10,911	565,400	1,630,978
Additions	-	-	7,856	7,856
Disposals	-	-	(23,380)	(23,380)
As at 31 July 2020	1,054,667	10,911	549,876	1,615,454
Accumulated depreciation				
As at 1 August 2020	1,021,477	10,909	518,070	1,550,450
Charge for the year	19,667	-	27,077	46,745
On Disposals	-	-	(23,373)	(23,374)
As at 31 July 2021	1,041,139	10,909	521,774	1,573,822
Net book value				
31 July 2021	13,528	-	28,102	41,632
31 July 2020	33,194	-	47,330	80,524

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

14. FIXED ASSET INVESTMENT

	Investment in subsidiaries	Total
Cost	£	£
As at 1 August 2020 and 31 July 2021	1	1

	2021	2020
Name of company	Equity held	Equity held
	%	%
Investments in subsidiaries		
53 Degrees Events Limited	100%	100%

	Turnover	Aggregate of share capital and reserves	Profit for the year
	£	£	£
53 Degrees Events Limited - dormant	=	<u>1</u>	=

15. STOCK

	2021	2020
	£	£
Bar	9,618	13,581
Catering	-	1,507
Shop stock	11,016	24,091
Atrium stock	885	3,112
Clothing stock	4,701	8,279
	<u>26,220</u>	<u>50,569</u>

16. DEBTORS

	2021	2020
	£	£
Trade debtors	-	10,473
Prepayments and accrued income	46,827	56,847
University debtor	36,831	17,696
Other debtors	18,110	18,947
	<u>101,768</u>	<u>103,963</u>

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

17. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	50,105	52,003
Social security and other taxes	16,724	21,488
Other creditors	36,594	37,073
Accruals and deferred income	20,192	14,218
Pension liability	86,298	61,065
	<u>209,913</u>	<u>185,847</u>

	2021 £	2020 £
Deferred Income		
Deferred income at 1 August	-	44,487
Resources deferred during the year	-	-
Amounts released from previous years	-	(44,487)
Deferred income at 31 July	-	-

18. CREDITORS: Amounts falling due after more than one year

	2021 £	2020 £
Pension liability	<u>1,460,166</u>	<u>1,523,488</u>
	<u>1,460,166</u>	<u>1,523,488</u>
Repayment due as follows:		
Due 1-2 Years	177,516	147,363
Due 2-5 Years	301,940	287,563
Due 5+ Years	<u>980,710</u>	<u>1,088,562</u>
	<u>1,460,166</u>	<u>1,523,488</u>

Please refer to note 21 for further details on the pension liability such as repayment terms and discount rate.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

19. FINANCIAL INSTRUMENTS

Financial assets that are debt instruments measured at amortised cost:

	2021 £	2020 £
Trade debtors (including University)	36,831	28,169
Accrued income	4,894	17,269
Other debtors	13,981	14,982
	<u>55,706</u>	<u>60,420</u>

Financial liabilities measured at amortised cost:

	2021 £	2020 £
Trade creditors	50,105	52,003
Accruals	20,192	14,218
	<u>1,530,462</u>	<u>1,589,709</u>
Financial liabilities measured at present value		
Pension deficit	<u>1,460,166</u>	<u>1,523,488</u>
	<u>1,460,166</u>	<u>1,523,488</u>

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

20. RESERVES

	At 1 August 2020	Incoming resources	Resources expended	Transfers	At 31 July 2021
	£	£	£	£	£
Restricted Funds					
Pension Deficit Fund	(1,584,553)	-	(22,976)	61,065	(1,546,464)
Benefit in kind – Accommodation and Service	-	562,814	(562,814)	-	-
Clubs and Societies	95,104	37,301	(29,490)	(11,913)	91,002
Total Restricted Funds	(1,489,449)	600,115	(592,304)	49,152	(1,455,462)
Unrestricted Funds					
Accumulated General Fund	81,712	1,569,879	(1,582,623)	88,935	157,903
Total General Funds	81,712	1,569,879	(1,582,623)	88,935	157,903
Designated funds					
Building designated reserve	150,000	-	-	(150,000)	-
Film and arts designated fund	5,113	-	-	-	5,113
Sport Ball funds	4,717	-	-	-	4,717
Societies & clubs bidding reserve	16,125	-	-	7,052	23,177
Societies & clubs archived	2,684	-	-	4,261	6,945
Total Designated Funds	178,639	-	-	(138,027)	40,552
Total Unrestricted Funds	260,351	1,569,879	(1,582,623)	(49,152)	198,456
Total Funds	(1,229,098)	2,169,994	(2,174,927)	-	1,257,004

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

20. RESERVES (continued)

Pension Deficit Fund

The Union is a member of the Student Union Superannuation Scheme, a multi-employer defined benefit pension scheme. The fund value of £1.1m represents the Union's share of the scheme's deficit at a net present value, which has a recovery plan running until 2035. (Note 20 – Pensions, for more details.) Following a full review, the trustees decided to transfer this fund from general funds to restricted funds to illustrate the rules place on the deficit, for which, the trustees are bound.

Benefit in Kind – Accommodation & Services

The Students' Union occupies two university buildings which are fully maintained and serviced by the University. The non-monetary total for this support is £511k and is reported in the Statement of Financial Activities income and expenditure, page 21 and detailed in notes 4, 6 and 8.

Clubs and Society Funds

Funds raised by individual clubs and societies are recognised as restricted funds through the Statement of Financial Activities in the year the Union is entitled to the income. Expenditure is recognised against these funds in the year with any unspent funds being recognised as restricted funds available to the individual clubs and societies in future periods.

General Funds

Unrestricted general funds arising from the accumulated surplus from its various activities held to provide flexibility in the future.

Building designated reserve

In support of the master plan and the changes that will occur around the Student Unions' buildings, it is the board's strategic plan to set aside some general funds for building investment.

Sports Ball funds

Made from Sports Ball surpluses, this fund is used to support clubs and societies with a long-term investment need. This fund is continuous.

Clubs/ Societies Designated Bidding/ Archived Reserves

17 groups which were inactive for two years with balances totalling £2,684 were transferred to an archive reserve. Groups which were inactive for over five years with funds totalling £16,125 were transferred to a bidding reserve. Groups will be able to bid on these funds for investment into their Club or Society benefiting students on many levels.

Film and Arts Designated Fund

The Students' Union received a 'one-off' grant of funds from the University in 2008 in order to support the continued presentation of films by the Union's Film Society in the 'Mitchell and Kenyon Cinema' on Campus. As this remains unused the University have lifted their restriction and these funds have been designated for the general film and arts spend.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

20. RESERVES (continued)

2020 Reserves Movement

	At 1 August 2019	Incoming resources	Resources expended	Transfers	At 31 July 2020
	£	£	£	£	£
Restricted Funds					
Pension Deficit Fund	(1,169,114)	-	(415,438)	-	(1,584,552)
Benefit in kind – Accommodation and Service	-	550,996	(550,996)	-	-
Clubs and Societies	110,748	101,293	(103,128)	(18,809)	90,104
Projects	-	7,026	(7,026)	-	-
Film Society Fund	5,113	-	-	(5,113)	-
Total Restricted Funds	(1,053,253)	664,315	(1,076,588)	(23,922)	(1,489,448)
Unrestricted Funds					
Accumulated General Fund	41,278	2,566,452	(2,525,018)	-	81,712
Total General Funds	41,278	2,566,452	(2,525,018)	-	81,712
Designated funds					
Building designated reserve	150,000	-	-	-	150,000
Film and arts designated fund	-	-	-	5,113	5,113
Sport Ball funds	4,717	-	-	-	4,717
Societies bidding reserve	-	-	-	14,298	14,298
Clubs archived	-	-	-	1,598	1,598
Societies archived	-	-	-	1,086	1,086
Clubs bidding reserve	-	-	-	1,827	1,827
Total Designated Funds	154,717	-	-	23,922	178,639
Total Unrestricted Funds	195,995	2,566,452	(2,525,018)	23,922	260,351
Total Funds	(857,258)	3,225,767	(3,602,607)	-	1,229,098

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

21. PENSIONS

The Charity participates in the Student Union Superannuation Scheme, a multiemployer defined benefit pension scheme whose membership consists of employees of students' unions and related bodies throughout the country. With effect from 30 September 2011 the scheme closed to future accrual.

The employers share the actuarial risks associated with all members of the scheme. The Charity is not legally responsible for the scheme and does not have sufficient information to use defined benefit accounting. Accordingly, the scheme is accounted for as if it is a defined contribution scheme.

The Charity and the other employers are jointly and severally liable for the scheme's deficit. At 30 June 2019, the date of the latest available information, the SUSS scheme deficit was £140,900,000. The 2019 valuation recommended a monthly contribution requirement by each participating Employer expressed in monetary terms intended to clear the ongoing funding deficit. These contributions will be made until 2035 and will increase by at least 5% each year, with a one-off increase of 8% in October 2021.

A liability of £1,546,464 (2020 £1,584,552) has been recognised for UCLan SU, representing the present value of the additional contributions payable between the year-end and 2035, with the resulting movement recognised in the Statement of Financial Activity under the heading of 'Pension Discount Unwinding' reporting a cost of £22,976. The discount rate used to calculate this liability was 1.45%.

As the SUSS is closed to future accrual there were no employer contributions paid into the scheme by the Union for the year ended 31 July 2021; the Union does however continue to pay funding towards the deficit. For the year ended 31 July 2021, these contributions amounted to £61,065 (2020: £nil).

The Union participates in the NUS Pension Scheme, a defined contribution scheme. During the year, contributions of £61,065 (2020: £95,180) were paid to the scheme.

22. RELATED PARTY TRANSACTIONS

The Union is a registered charity for the purposes of the Charities Act 1993. The Union is in receipt of a recurrent grant from the University of Central Lancashire (UCLan) of £1,287,839 (2020: £1,181,710).

In prior years, UCLan also provided funds of £213,644 for the SUSS pension scheme, in support of a three-year advanced payment allowing the Union to take advantage of an available discount.

In addition, the Union occupies its building on a rent-free basis under an informal licence subject to the Union maintaining the building in a good state of repair. In accordance with the Charities SORP (2015), the trustees have estimated that the provision of space and associated services is worth £562,814 (2020: £550,996) to the Union and have recognised this amount in the Statement of Financial Activities. Amounts due from the University at 31 July 2021 were £36,831 (2020: £17,696).

The full-time officers of the Trustee Board receive remuneration for their services as provided for within the Constitution. The aggregate amount payable under such contracts in the year was £84,205 (2020: £103,622). In addition, the Union has paid Trustees' liability insurance of £1,333 (2020: £952).

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

23. CONTROLLING PARTY

Control of the Union rests with the Student Council which is made up of an elected chairperson and elected student representatives. The Council decides on Union policy, mandates the trustees to put policies into action and ensures the Board of Trustees keep standards high across all aspects of the Union.

24. NET ASSETS BY FUNDS

	Restricted	Unrestricted	Total 2021
	£	£	£
Tangible Fixed Assets	-	41,632	41,632
Investments	-	1	1
Net Current Assets	4,702	156,826	161,528
Liabilities due after more than one year	(1,460,166)	-	(1,460,166)
Total Funds	(1,455,464)	198,459	(1,257,005)

Available Reserves	4,702	198,459	203,161
Accounting Reserves	(1,460,166)	-	(1,460,166)
Total Reserves	(1,455,464)	198,459	(1,257,005)

	Restricted	Unrestricted	Total 2020
	£	£	£
Tangible Fixed Assets	-	80,524	80,524
Investments	-	1	1
Net Current Assets/(Liabilities)	95,104	118,762	213,865
Liabilities due after more than one year	(1,523,488)	-	(1,523,488)
Total Funds	(1,428,384)	199,287	(1,229,098)

Available Reserves	95,104	199,287	355,456
Accounting Reserves	(1,523,448)	-	(1,523,448)
Total Reserves	(1,428,384)	199,287	(1,229,098)

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

25. COMMITMENTS UNDER OPERATING LEASES

At 31 July 2021 the Students' Union had outstanding obligations under non-cancellable operating leases as set out below.

	2021 £	2020 £
Operating leases due:		
Within 1 year	3,362	4,371
Within 2 to 5 years	-	3,362
	<u>3,362</u>	<u>7,733</u>

26. TRUSTEES' REMUNERATION AND EXPENSES

Each of the Unions five elected Officers are paid £18,644 for the year, as authorised in the union's governing document, for the representation, campaigning, and support work they undertake as distinct from their trustees' responsibilities. This work includes voicing student opinion with the institution and local community, defending and extending the right of the students through petitions, discussion with MPs and also organising and supporting student volunteers and service provision for them. The total salary and NI costs for the elected officer team amounted to £84,205 (2020: £103,622). Included within these totals are employer pension contributions of £3,729 (2020: £4,592).

There were no other trustee-benefits for the year.

Elected Officers were reimbursed a total of £nil (2020 - £nil) for the year in respect of personal travel and subsistence expenses.

27. RECONCILIATION OF OPERATING CASH FLOW

	2021 £	2020 £
Cash flows from operating activities		
Surplus for the financial year	(27,908)	(371,514)
<i>Adjustments to reconcile profit for the year to net cash from operating activities</i>		
Interest received	(36)	(1,165)
Depreciation	46,649	58,884
(Increase)/decrease in inventories	24,350	(1,262)
Decrease in trade and other debtors	2,359	53,672
Increase in trade and other creditors	(1,558)	(109,474)
Add back Pension Discount Unwinding Costs	22,976	415,440
Cash generated from operating activities	<u>66,831</u>	<u>44,581</u>

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

28. CONTINGENT LIABILITY

As detailed in the Trustees' Report on page 12, the Union is subject to a possible claim from HMRC in relation to the treatment of catering sales in some of its commercial trading outlets. The Union, along with other Unions and the NUS, is legally challenging the basis for HMRC's potential claim, which management and the Trustees estimate to be in the region of £97k and, as at the reporting date and approval of the financial statements, assess the claim to be possible rather than probable and hence this potential outflow has been disclosed as a contingent liability rather than a provision.

