

**LONDON METROPOLITAN
UNIVERSITY STUDENTS' UNION**
(Company limited by guarantee no. 08576499
registered charity no. 1153293)

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2020



REPORT AND FINANCIAL STATEMENTS
For the period ended 31 July 2020

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LONDON METROPOLITAN UNIVERSITY STUDENTS' UNION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS For the period ended 31 July 2020

Board of Trustees	J Hoarau	(resigned 1 July 2020)
	M Jeddi	(appointed 17 December 2018)
	R K Guy	(resigned 31 October 2019)
	W Lee	(appointed 1 April 2019)
	C Margallo	(appointed 31 January 2020)
	M Muse	(resigned 1 July 2020)
	G Olugbodi	(resigned 1 July 2020)
	S To	(appointed 1 April 2019)
	O Agho	(appointed 1 July 2020)
	R Benson	(appointed 31 January 2020 resigned 1 July 2020)
	N Iddirisu	(resigned 31 January 2020)
Principal Officers	Andy Morwood	Chief Executive (from 21 Sept 2020)
	Graeme Hope	Chief Executive (resigned March 2020)
	Alan Roberts	Interim Chief Executive (from 19 Mar 2020 to 30 Sept 2020)
	Jacqueline Molineaux	Deputy CEO (from 30 Nov 2020)
Company reg. no.	08576499 (England and Wales)	
Charity reg. no.	1153293	
Registered office	166-220 Holloway Road London N7 8DB	
Accountants	Knox Cropper LLP 65 Leadenhall Street London EC3A 2AD	
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP	

BOARD OF TRUSTEES' REPORT
For the year ended 31 July 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charitable object of London Metropolitan University Students' Union is the advancement of education of students at the University for the public benefit by,

- promoting the interests and welfare of students at London Metropolitan University during their course of study and representing, supporting and advising students;
- being the recognised representative channel between students and London Metropolitan University and any other external bodies; and
- providing social, cultural and recreational activities and forums for discussions and debate for the personal development of its students.

Activities and achievements

During the last year, the Union continued its period of change and development over the past year, having significantly developed in key areas such as: governance, finance & resources, organisational structure and strategy development. Like with most other charities, the global pandemic had also been a severe challenge for the organisation but one which we have faced and are succeeding in delivering for our members despite everything.

Out-with this significant work the three principal areas of activity for the Students' Union in terms of work undertaken towards achieving the charitable aims and objectives are highlighted below:

Student activities and development (Activity)

MetSU aims to be a physical and a virtual space for students to connect, learn and grow. We support over seventy student groups. If our members are looking for a community - whether they share a faith, interest, culture, sport, hobby, passion or subject of study - there's something on offer. From trampolining to Krishna Consciousness, we have it all! A healthy student community benefits from the occasional big celebration as well. Starting with Welcome Week, our calendar of events covers sport with #SeaOfRed and our Varsity rivalry with SOAS, through to the SU Awards - a celebration of excellence that shifted seamlessly online this year.

Student representation and campaigns (Voice)

We amplified the voices of students on a huge range of topics this year. Within the University, we campaigned hard on academic matters, working to prevent academic decisions negatively affecting the wellbeing of our members. We ensured the No Detriment policy in light of Covid-19 was acceptable to students. With the Academic Quality Department, we reinstated every student's ability to request a three day extension.

We also had input into the University's Student Engagement Strategy and its overall organisational strategy, giving our members influence over these plans at the earliest possible stage. A joint effort with the University saw our NSS turnout shoot up - and our approval rating followed, placing the Union in third place in London with our Question 26 score.

Outside of class, we grew our Liberation Zones and hosted a series of events, campaigns and debates, including Black History Month, LGBT+ History Month, and International Women's Day. MP candidates were quizzed at an elections hustling, and members debated the decolonisation of the curriculum in a panel discussion with the Vice Chancellor.

BOARD OF TRUSTEES' REPORT
For the year ended 31 July 2020

As scandal grew around the University Patron, Prince Andrew, we channelled student opinions to the Board of Governors - arranging a democratic vote of no-confidence in record time. Our work in these areas continues next year. Officer priorities include closing the black accreditation & awarding gap, decolonising the curriculum, and developing the strength of our academic representation network.

Student advice (Advice)

Our Advice Service supported students in acute academic crisis throughout the year. As a confidential service, operated independently of the University, the Advice Service is a vital lifeline for the small number of students who find themselves in complex situations - such as termination of studies, misconduct appeals, or seeking extensions to deadlines due to personal circumstances.

This year, our officers and staff have also supported a large number of students to navigate wider crises, such as funding errors made by Student Finance England or the widespread disruption caused by the pandemic. We also advocated for students collectively, seeking to prevent problems occurring and building a more just and fair learning environment for all.

Public benefit

The trustees have considered the Charity Commission's guidance on public benefit in developing the activities and services of the charity to meet its objectives.

FINANCIAL REVIEW

Reserves policy

It is considered best practice for charities to establish a level of reserves sufficient to enable core services to members to be delivered in the event of a disruption to its funding or operation. At the year-end, the free reserves of the Union stood at £29,307.

The Union maintains reserves in accordance with the Charity Commission's guidance which represent the 'free' reserves available to the Union's Trustees to be unrestrictedly spent on the purposes of the Union.

They do not include any endowments, restricted or designated funds, nor do they include funds that could only be realised by disposing of fixed assets or stock in trade (or working capital).

In the Trustees' view, the Union should maintain 'free' reserves that are appropriate to the Union's size, activity and structure

- At present, the Union has no commitments in relation to rent, loans or hire purchase agreements
- The Union has no assets which require maintenance or replacement
- The Union holds adequate insurances for its activity
- Permanent staff are employed by the Union
- The Union does not run any sizable trading activity or subsidiary companies
- The majority of Union income is from university grant funding
- Grants are paid on a monthly basis and these are carefully phased to ensure a healthy cash flow

Given the nature of the activity and the contraction of staff, it is the view of Trustees that the Union only hold between £20,000 and £40,000 in reserve to allow for small variations in activity and income as to set and build a larger reserve would be detrimental to activity. Should amounts be in excess of £50,000 then the Trustees, in consultation with stakeholders, will draw up a plan to spend the additional funds.

During the year of operation, the Union received a block grant of £610,000 from the London Metropolitan University who also provided £59,300 of additional funding on top of our grant. The Union also received £1,858 from the University for fee and services provided. This income was expended on the Union's charitable activities, primarily as staff costs. As a result of its activities, Net income for the year amounted to £8,645 that increased the unrestricted general funds to £29,307.

BOARD OF TRUSTEES' REPORT **For the year ended 31 July 2020**

Future Plans

The Students' Union developed an ambitious strategy for 2019 – 2023. This strategy was informed by consultation with Trustees, Senior Management, student officers and the staff team from within the Students' Union as well as key stakeholders in the University. The development of the strategy was underpinned by insight from our members through a series of interviews, surveys and focus groups at the end of 2019.

The Strategy focuses on five key themes:

- 'Your Union'
- 'Representing You'
- 'Supporting You'
- 'Developing You'
- 'Our Future'

The new strategy covers important future areas of work from the review of the system of our student representation system to the introduction of a Student Volunteering and Charity Week; all of this work is built on our mission, vision and values and underpinned by strategic enablers that provide a focus on good governance, financial health and investment in our staff and students and the efficient and effective operational delivery of everything that we do.

Linked to this will be the development of an annual operating plan to ensure the Students' Union works towards achieving the strategic objectives and continues to provides for our members. Key Performance Indicators (KPI's) will also be set to allow measurement of achievement of actions against the objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charitable company is controlled by its governing document, its memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. In the event of winding up the liability of each Company Law Member is limited to £1.

Recruitment and appointment of new trustees

The Board of Trustees is made up of not more than two sabbatical officer trustees, not more than two student trustees, one alumni trustee and not more than three external trustees. The sabbatical officer trustees are elected by secret ballot by the members of the Union and serve one year in office unless re-elected for the second year. The student trustees are elected by a simple majority vote of the Student Council from its membership and include one undergraduate and one postgraduate student. Student trustees serve for a two-year term and must be a student for the duration of their term in office. Student trustees can serve for a maximum of two consecutive terms. The alumni and external trustees are appointed by the Appointments Committee and ratified by the trustees. They can serve for a maximum of 2 terms of 2 years each.

Organisational Structure

The Board of Trustees met three times during the year. It is responsible for the strategic direction, governance and sustainability of the charity but delegates its day-to-day running to the Student Officer team and its Senior Management. The Board established a Transition Board to oversee the transition between Chief Executives which met fortnightly between March and September.

Induction and Training of New Trustees

Once elected or appointed all trustees receive tailored training to enable them to understand their legal obligations and their other important responsibilities as charity trustees. The Student Officer Trustees also receive training that is more comprehensive as they work full time for the organisation and complete a portfolio of duties, alongside their Trustee roles.

Staff Employment

The permanent staff were transferred to full employment of the Union on 1 December 2019 under the Transfer of Undertakings (Protection of Employment) Regulations.

BOARD OF TRUSTEES' REPORT
For the year ended 31 July 2020

Key Management Remuneration

The levels of remuneration for all staff including those of senior management are calculated on the basis of salary scales which map responsibilities and experience to set scales. The salary scales are reviewed annually to take into account of cost of living and the London living allowance.

Risk Management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. They regularly review the major strategic, operational and reputational risks faced by the charity, this forms an agenda item for all trustees meetings. Each risk identified is assessed for its impact and likelihood, actions required to mitigate or manage it are noted and the risk is assigned to a senior staff member or trustee.

At present, the major risks are identified below with notes on mitigation.

Sustainability: Cuts to core grant funding related to Student numbers

Mitigation

- Active participation in recruitment groups and activity that exist within the University
- Union provides an active resource for potential students
- Ensures effective funding through annual budget conversation

Sustainability: Failure to be seen by students or the university as the voice of students resulting in breakaway protest groups and lack of confidence from the University

Mitigation

- Communicate clearly to membership all actions taken
- Ongoing University Liaison group
- Feedback on regular University/ Union Meetings

Reform and review of governance structure in line with NUS and Charity Commission codes

Core Business: Failure to anticipate, identify and satisfy the needs of all the membership

Mitigation

- Faculty Officer Model
- Regular research to inform decisions

Core Business: Radical activity on campus

Mitigation

- Liaison
- Active relationship with estates and secretary's office
- Staff Training
- Monitoring of online media
- Strong links with University

Systems: Inadequate provision of a safe recreational, learning, working environment

Mitigation

- Implementation of effective procedures
- Adequate insurance for activities
- Liaison with H&S
- Risk assessments for events and activities

At this time, there are no uncertainties as to the charity's ability to continue as a going concern. The impact of any significant pension deficit and pension arrangements are a responsibility of the University.

BOARD OF TRUSTEES' REPORT
For the year ended 31 July 2020

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of London Metropolitan University Students' Union for the purposes of company law) are responsible for preparing the Board of Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

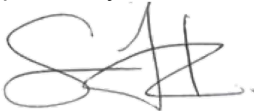
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 7 December 2020 and signed on its behalf by:



.....
Simon To – Chair, Board of Trustees

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LONDON METROPOLITAN UNIVERSITY STUDENTS' UNION FOR THE PERIOD ENDED 31 JULY 2020**

Opinion

We have audited the financial statements of London Metropolitan University Students' Union (the 'charitable company') for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020 and of 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

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

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

/Continued ...

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LONDON METROPOLITAN UNIVERSITY STUDENTS' UNION FOR THE PERIOD ENDED 31 JULY 2020**

(Continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement in the Trustees' Report, 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.

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

/Continued ...

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LONDON METROPOLITAN UNIVERSITY STUDENTS' UNION FOR THE PERIOD ENDED 31 JULY 2020**

(Continued)

Use of our report

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

Richard Billinghamurst (Senior Statutory Auditor)

For and on behalf of:

Knox Cropper LLP

Chartered Accountants & Statutory Auditors

65 Leadenhall Street

London

EC3A 2AD

7 December 2020

LONDON METROPOLITAN UNIVERSITY STUDENTS' UNION

STATEMENT OF FINANCIAL ACTIVITIES (incorporating the Income and Expenditure Account) For the period ended 31 July 2020

	Note	Total & Unrestricted Funds 2020 £	Total & Unrestricted Funds 2019 £
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	2	669,300	757,701
Other trading activities	3	31,294	8,557
TOTAL		700,594	766,258
EXPENDITURE ON:			
Fund raising costs		-	1,523
Charitable activities			
Student activities and development		355,915	431,826
Student representation and campaigns		172,754	180,201
Student advice		163,280	172,307
TOTAL EXPENDITURE	4	691,949	785,857
Net income/(expenditure)		8,645	(19,599)
NET MOVEMENT IN FUNDS		8,645	(19,599)
RECONCILIATION OF FUNDS:			
TOTAL FUNDS AT 1 AUGUST 2019		20,662	40,261
TOTAL FUNDS AT 31 JULY 2020		£ 29,307	£ 20,662

LONDON METROPOLITAN UNIVERSITY STUDENTS' UNION

Company limited by guarantee (registered company no. 08576499)

BALANCE SHEET**As at 31 July 2020**

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	10	<u>6,275</u>	<u>8,026</u>
		<u>6,275</u>	<u>8,026</u>
CURRENT ASSETS			
Debtors	11	20,800	5,996
Cash at bank and in hand		70,014	31,973
		<u>90,814</u>	<u>37,969</u>
CREDITORS: amounts falling due within one year	12	(67,782)	(25,333)
NET CURRENT ASSETS		<u>23,032</u>	<u>12,636</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		29,307	20,662
TOTAL NET ASSETS		<u>£ 29,307</u>	<u>£ 20,662</u>
FUNDS			
Unrestricted funds:			
General fund	13	<u>29,307</u>	<u>20,662</u>
		<u>29,307</u>	<u>20,662</u>
		<u>£ 29,307</u>	<u>£ 20,662</u>

The financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved, and authorised for issue, by the Board of Trustees on 7 December 2020 and signed on their behalf by:-



S TO, Trustee

The annexed notes form part of these financial statements

LONDON METROPOLITAN UNIVERSITY STUDENTS' UNION

CASH FLOW STATEMENT For the period ended 31 July 2020

	2020 £	2019 £
Cash flows from operating activities		
Surplus/(deficit) for the financial year	8,645	(19,599)
Adjustments for:		
Depreciation	1,751	730
(Increase)/decrease in debtors	(14,804)	53,587
Increase/(decrease) in creditors	42,449	(134,007)
	<u>38,041</u>	<u>(99,289)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(8,756)
Net increase/(decrease) in cash and cash equivalents	<u>38,041</u>	<u>(108,045)</u>
Cash and cash equivalents at 1 August 2019	31,973	140,018
Cash and cash equivalents at 31 July 2020	<u>£ 70,014</u>	<u>£ 31,973</u>

Components of cash and cash equivalents

	At 1 August 2019	Cashflows	At 31 July 2020
Cash at bank and in hand	<u>£ 31,973</u>	<u>£ 38,041</u>	<u>£ 70,014</u>

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2020

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention. They have been prepared in accordance with applicable United Kingdom accounting standards, the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2019), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) and the Companies Act 2006. The presentational currency of the financial statements is Pound Sterling (£).

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Company status

London Metropolitan University Students' Union is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Incoming resources

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Resources Expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2020

Pension costs and other post-retirement benefits

The Union participates in two pension schemes, the London Pensions Fund Authority (LPFA) and the National Employment Savings Trust (NEST). NEST is a defined contribution scheme open to the Union's sabbatical officers and staff. Contributions payable to the scheme are charged to the Statement of Financial Activities in the period to which they relate.

LPFA is a statutory, contributory, defined benefit scheme and is contracted out of the State Earnings-Related Pension Scheme. The scheme is valued every three years and in the intervening years the actuaries review the progress of the scheme. Administration staff of the Union have joint contracts of employment with London Metropolitan University and are entitled to join the LPFA. Although the University is able to identify its share of the underlying assets and liabilities of the LPFA, the Union is not. Therefore, using the exemption under FRS 102, contributions to the scheme are accounted for as if they were defined contribution schemes and employer contributions payable to the scheme are charged as expenditure in the period to which they relate.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

Fixture and fittings	-	5 years
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Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

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

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2020

Financial Instruments

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

Judgements and key sources of estimation uncertainty

Judgements and key sources of estimation uncertainty are detailed in the above accounting policies, where applicable.

2. DONATIONS AND LEGACIES

	Total Funds 2020 £	Total Funds 2019 £
Donations	-	4,856
LMU Block Grant	610,000	591,276
Other LMU Grants	59,300	161,569
	£ 669,300	£ 757,701

3. INCOME FROM OTHER TRADING ACTIVITIES

	Total Funds 2020 £	Total Funds 2019 £
NUS Extra cards commission	1,667	81
Sports and membership income	6,450	8,476
Other income from activities	23,177	-
	£ 31,294	£ 8,557

-

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2020

4. RESOURCES EXPENDED

	Staff costs £	Other direct costs £	Support costs £	Total 2020 £	Total 2019 £
Cost of Charitable Activities					
Student activities and development	229,669	84,704	41,542	355,915	431,826
Student representation and campaigns	147,234	3,951	21,569	172,754	180,201
Student advice	146,501	-	16,779	163,280	172,307
	<u>523,404</u>	<u>88,655</u>	<u>79,890</u>	<u>691,949</u>	<u>784,334</u>
Fund raising costs					
Costs of generating funds	-	-	-	-	1,523
Total expenditure	<u>£ 523,404</u>	<u>£ 88,655</u>	<u>£ 79,890</u>	<u>£ 691,949</u>	<u>£ 785,857</u>

Comparative cost of charitable activities

	Staff costs £	Other direct costs £	Support costs £	Total 2019 £
Cost of Charitable Activities				
Student activities and development	246,021	146,022	39,783	431,826
Student representation and campaigns	158,036	1,508	20,657	180,201
Student advice	156,238	-	16,069	172,307
	<u>560,295</u>	<u>147,530</u>	<u>76,509</u>	<u>784,334</u>
Fund raising costs				
Costs of generating funds	-	1,523	-	1,523
Total expenditure 2019	<u>£ 560,295</u>	<u>£ 149,053</u>	<u>£ 76,509</u>	<u>£ 785,857</u>

Resources expended include:

	2020	2019
Auditors' remuneration:		
Audit fee	5,235	5,785
Depreciation - on owned assets	1,751	730

Details of staff costs are given in Note 7.

Details of Support costs is given in Note 6.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2020

5. DIRECT COSTS	2020	2019
	£	£
Society events	14,457	107,618
Affiliation fees	26,245	18,748
Subscriptions and licences	9,484	-
Conferences	869	-
Marketing and advertising	11,135	12,863
Awards	596	765
Catering	1,989	2,940
Training and development	6,220	6,000
Campaign welfare	171	-
Services	10,315	-
Sports activities	1,286	-
Travel and subsistence	2,889	119
Legal and professional	2,999	-
	£ 88,655	£ 149,053

6. SUPPORT COSTS	Total	Total
	2020	2019
	£	£
Information technology	2,996	13,770
Insurance	4,761	4,196
Bank charges	1,266	637
General office expenses	32,845	29,128
Professional and consultancy	32,787	22,993
Auditors' audit fee	5,235	5,785
	£ 79,890	£ 76,509

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2020

7. STAFF NUMBERS AND COSTS

	2020 £	2019 £
Wages and salaries	452,730	460,191
Social security costs	23,619	35,889
Pension costs	5,419	31,235
Cost of contracted staff	41,636	32,980
	<u>£ 523,404</u>	<u>£ 560,295</u>

The average monthly number of employees during the year was as follows:

	Number	Number
Sabbatical officers	4.0	4.0
Administration staff	16.0	16.0
	<u>20.0</u>	<u>20.0</u>

No employee received remuneration of more than £60,000. The salaries above include termination payments of £64,741 during the year.

The key management personnel of the Union are those persons having authority and responsibility for planning, directing and controlling the activities of the Union, directly or indirectly, including any Trustee of the Charity. In addition to the Trustees, Key management personnel includes the Chief Executive. Aggregate remuneration and benefits paid to key management personnel during the year amounted to £188,229 (2019 - £174,031).

8. TRUSTEES REMUNERATION AND BENEFITS

	2020 £	2019 £
Wages and salaries	85,137	90,477
Social security costs	5,846	6,018
Pension costs	721	862
	<u>£ 91,704</u>	<u>£ 97,357</u>

Trustees remuneration relates to the Sabbatical officers, who are also trustees of the Union. No members of the Board of Trustees received reimbursement of expenses (2019 - £NIL).

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2020

9. PENSION ARRANGEMENTS

The Union contributes to two pension schemes, the London Pensions Fund Authority (LPFA) and National Employment Savings Trust (NEST).

The LPFA Fund (the Fund) provides members with benefits related to pay and service at rates which are defined under the Local Government Pension Scheme Regulations 1997. This scheme was for the administrative staff of the Union who employed by joint contracts of employment with London Metropolitan University. However, the staff were transferred to full employment of the Union on 1 December 2019 under the Transfer of Undertakings (Protection of Employment) Regulations. The University has also agreed to take up the liabilities arising from the past service pension costs under this pension scheme hence this will have no impact on the Union's liability.

NEST is a defined contribution pension scheme and pension contributions in the current year amounted to £5,419.

10. TANGIBLE FIXED ASSETS

	Fixture and fittings £
Cost	
At 1 August 2019 and 31 July 2020	<u>8,756</u>
Depreciation	
At 1 August 2019	730
Charge for the year	<u>1,751</u>
At 31 July 2020	<u>2,481</u>
Net book value	
At 31 July 2020	<u>£ 6,275</u>
At 31 July 2019	<u><u>£ 8,026</u></u>

11. DEBTORS

	2020 £	2019 £
Due within one year		
Trade debtors	210	-
Prepayments	13,961	5,296
Accrued income	6,629	-
Other debtors	-	700
	<u>£ 20,800</u>	<u>£ 5,996</u>

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2020

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	15,524	7,526
Deferred income	20,000	-
Social security and other taxes	7,561	4,101
Other creditors	24,697	13,706
	£ 67,782	£ 25,333
<u>Deferred income</u>		
Balance at 1 August 2019	-	-
Amount released to incoming resources	-	-
Amount deferred in the year	20,000	-
Balance at 31 July 2020	£ 20,000	£ Nil

13. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers £	Carried Forward £
SUMMARY OF FUNDS					
General Funds 2020	£ 20,662	£ 700,594	£ (691,949)	£ Nil	£ 29,307
General Funds 2019	£ 40,261	£ 766,258	£ (785,857)	£ Nil	£ 20,662

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Total Funds
	Designated Funds £	General Funds £	£	£
Tangible fixed assets	-	6,275	-	6,275
Net current assets	-	23,032	-	23,032
Funds 2020	£ Nil	£ 29,307	£ Nil	£ 29,307
<i>Tangible fixed assets</i>	-	8,026	-	8,026
<i>Net current assets</i>	-	12,636	-	12,636
<i>Funds 2019</i>	£ Nil	£ 20,662	£ Nil	£ 20,662

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2020

15. GOING CONCERN

The Union is dependent on the ongoing financial support of the London Metropolitan University. The trustees are of the opinion that this support will be forthcoming from the University for at least a further 12 months from the date of approval of these financial statements.

The trustees have also assessed the impact of Covid-19. The trustees have considered the level of funds held, support from Government schemes and the expected level of income and expenditure is sufficient to be able to continue as a going concern.

16. RELATED PARTIES

Officer Trustees are remunerated for their executive responsibilities in accordance with the Union constitution. Four trustees of the Charity received payment for their services as Sabbatical Officers of the Union totalling as set out in note 8. There were no other related party transactions for the year ended 31 July 2020.