

Registered company number: 12000783
Charity registration number: 1183625

LOUGHBOROUGH STUDENTS' UNION
A company limited by guarantee

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021

LOUGHBOROUGH STUDENTS' UNION

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE UNION, ITS TRUSTEES AND ADVISERS FOR THE PERIOD ENDED 31 JULY 2021

Trustee Name	Designation	Year
Andy Doyle	Director/Non-Student Trustee & Chair	2019-20 & 2020-21 (appointed 01/09/2019)
Richard Taylor	Director/Non-Student Trustee	2019-21 & 2020-21 (appointed 01/09/2019)
David Kiddie	Director/Non-Student Trustee	2019-21 & 2020-21 (appointed 11/06/2019, resigned 27/11/2020)
Amy White	Director/Non-Student Trustee	2019-20 & 2020-21 (appointed 01/09/2019, resigned 31/01/2021)
Ana-Maria Bilcui	Director/Executive Officer Trustee	2019-20 & 2020-21 (appointed 01/09/2019, resigned 31/07/2021)
Matt Youngs	Director/Executive Officer Trustee	2019-20 & 2020-21 (appointed 01/09/2019, resigned 31/07/2021)
Alexander William Hufton	Director/Executive Officer Trustee	2020-21 (appointed 01/08/2020)
Oghenefejiro Amam	Director/Executive Officer Trustee	2020-21 (appointed 01/08/2020, resigned 31/07/2021)
James Greer	Director/Executive Officer Trustee	2020-21 (appointed 01/08/2020, resigned 31/07/2021))
Owen Michael Henderson	Director/Student Trustee	2020-21 (appointed 09/10/2020, resigned 31/07/2021)
Emily Victoria Turnbull	Director/Student Trustee	2020-21 (appointed 09/10/2020, resigned 31/07/2021)
Matthew John Brown	Director/Student Trustee	2020-21 (appointed 09/10/2020, resigned 31/07/2021)
Emily Jane Hook	Director/Student Trustee	2020-21 (appointed 09/10/2020, resigned 31/07/2021)
Amie Woodyatt	Director/Student Trustee	2020-21 (appointed 09/10/2020, resigned 31/07/2021)
Freya Mason	Director/Executive Officer Trustee	2021-22 (appointed 01/08/2021)
Charlotte Style	Director/Executive Officer Trustee	2021-22 (appointed 01/08/2021)
Rachel Caverhill	Director/Executive Officer Trustee	2021-22 (appointed 01/08/2021)
Bethan Jones	Director/Student Trustee	2021-22 (appointed 01/08/2021, resigned 01/08/2021)
Ashleigh Ponder	Director/Student Trustee	2021-22 (appointed 01/08/2021)
Harry Hughes-Slattery	Director/Student Trustee	2021-22 (appointed 25/10/2021)

LSU employs Union Directors to work closely with the Trustees and Executive Officers to ensure effective management of the Union:

Trevor Page, Union Director

Paul Barlow, Deputy Union Director (resigned 01/10/2019)

Liz Monk, Deputy CEO (appointed 01/08/2022)

Alan Williams, Director of Commercial Services (resigned 31/12/2020)

Maria Turnbull-Kemp, Director of Finance & Operations (appointed 29/09/2019, resigned 31/05/2020)

Jo Gregory-Brough, Director of Marketing

Liam Davis, Director of Student Operations (resigned 31/12/2020)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE UNION, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 JULY 2021**

Registered company number

12000783

Charity registration number

1183625

Principal office

Loughborough Students Union
Ashby Road, Loughborough, Leicestershire, LE11 3TT

Independent auditor

Cooper Parry Group Limited
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Bankers

Natwest Bank Plc
Market Place
Loughborough
LE11 3NZ

Solicitors

Moss Solicitors
80-81 Woodgate
Loughborough
LE11 2XE

LOUGHBOROUGH STUDENTS' UNION

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 JULY 2021

The Trustees present their report with the financial statements of the group and charity for the year ended 31 July 2021. The Trustees have adopted the provisions of Accounting and Reporting by Charities; Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Union and the group also trade under the name LSU.

Structure Governance and Management

LSU is an incorporated company limited by guarantee and is governed by its Memorandum and Articles of Association which were effective from 16 May 2019 and last updated on 11 June 2019.

It serves two institutions being Loughborough University and Loughborough College. All registered students of these two entities are members of LSU, unless they choose to opt out.

LSU Constitution is the governing document for LSU and a copy can be obtained at <https://lsu.co.uk/democracy/governance-constitution>.

The Board of Trustees (who are also the Directors for the purposes of Company Law) is ultimately responsible for governing the financial, legal and charitable affairs of the LSU consulting relevant students' representative body, wherever appropriate.

The Board consists of the following:

- 1) Up to five Executive Officers elected in accordance with Article 22.1
- 2) Chair of Democracy and Representation Committee (DRC), by proxy (non-voting)
- 3) Up to five student members elected in May of each year for a term of office, which runs from 1 August of the same year, for one calendar year.
 - a. Any full member of the Union may stand for these positions
 - b. Elected in accordance with Bye-Law 3
 - c. Must not be paid by the Union
 - d. Trustees in this category must be full members of the Union throughout their term of office.
- 4) Up to four Non-Student lay members who shall be appointed by a simple majority vote.
 - a. Cannot have been a full member or Executive Officer of the Union for at least three years
 - b. Elected for three-year terms
 - c. Eligible to serve for a maximum of two consecutive full terms
 - d. Board may nominate suitable people to address any skill gaps identified
- 5) Loughborough University's Vice Chancellor's nominee.

The Union Director, responsible for operational leadership of the Union, will be in attendance at the Board meetings along with the Finance and Operational Director. All other members of the leadership team will be called upon when required, neither have any voting rights. The Board is supported by the Head of Governance who will attend as required to service the Board.

The Chair of the Board is elected by the Board from amongst the elected Lay Members and shall serve a term of two years and not more than two consecutive terms.

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TRUSTEES' REPORT FOR THE PERIOD ENDED 31 JULY 2021

Method of Appointment

The management of LSU and the group is the responsibility of Trustees who are elected and co-opted under the terms of the constitution.

All Trustees are given an introduction to the activities of LSU by the Leadership Team. All Trustees receive an induction into their legal and administrative responsibilities. Training is provided to Trustees as and when required, based on an assessment of existing skills.

When reviewing our objectives and planning activities, we have given due consideration to the Charity Commission's general and relevant supplementary guidance on public benefit.

Pay and remuneration of key management

The remuneration of all staff including key management is benchmarked using local market data and inflation. Based on this benchmark the key management team receive pay rises in line with all other staff in the Charity. Parameters to the organisational pay review are set by the Finance and Risk Committee which also scrutinises individual pay rises and performance bonuses of key management.

Engagement with employees (including disabled persons)

The Charity's policy is to consult and discuss with employees through meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through regular updates and meetings which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Charity's performance.

During employment, the Charity seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and employment opportunities are available to them to reach their full potential.

The Charity recognises the strengths of a workforce made up of people from diverse backgrounds. It is keen to ensure that, wherever possible, posts are accessible to disabled persons. Job descriptions, person specification and selection procedures are reviewed regularly to ensure that there is no bias preventing or discouraging disabled persons from applying. This is in keeping with the Equality Act 2010, but other factors are also taken into account. The Charity is committed to interviewing all applicants with a disability for a job vacancy who meet the essential elements of the person specification, ensuring that employees who become disabled are given every chance to remain in employment by making reasonable adjustments and providing training and development general awareness of disability issues.

Related Parties and other Connected Charities and Organisations

The Charity had two subsidiaries, those being Loughborough Student Union Campus Nursery Ltd (sold February 2021) and Loughborough Student Services Ltd, our commercial arm of the Charity. In respect of the Nursery, the Charity did provide staff who work exclusively for the nursery and maintenance and administrative services which were charged back through either a management charge or in respect of salaries, the actual cost to the Charity.

We have a working relationship with Loughborough University and Loughborough College which is aligned to the 1994 Education Act, whereby we work with parties to ensure that we promote the general interests of its members as students and we do this by working closely by having agreed objectives that ultimately benefit our members.

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Risk Management

The Trustee Board has examined the major strategic, business and operational risks faced by LSU. A risk register is established and will be reviewed quarterly. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers and participants on all activities organised by the Union. These procedures are periodically reviewed to ensure they continue to meet the needs of the charity.

Key Risks and Mitigation

Included below are the key areas of risks that the Charity is facing and the mitigation of them.

Risk	Impact of the Charity	Mitigation of Risk
Continual loss of impact due from the impact of the Covid19 Pandemic.	The loss of income has been significant and this has impacted the Charity. Commercial income remains low and in some areas such as hospitality non-existent.	The Government furlough scheme has been used to support the Charity and we continued to benefit from support until the scheme closed, we have restructured the Charity which has resulted in redundancies, but the long-term financial impact will prove beneficial in the long term.
Asset Deterioration	The Charity physical asset bases deteriorates to such an extent that future income and activities is put at risk	The age of the building is significant and there is a need in investment. The Charity is looking at selling the building and land, the view will be to reinvest a proportion of the income to redevelop areas on an ongoing basis.
Ongoing financial implication of the SUSS Pension Scheme	The Charity is part of the National Students' Union pension scheme SUSS. The scheme is significantly underfunded - scheme trustees report returns on investment are insufficient to meet budget the draft of which has been further increased to deficit payments of £325k. There has been a recently announced a further additional deficit which is liable to have a significant impact on the 2020 revaluation. This is further drain on the Union's medium-term finances but not at a level that would threaten our immediate mission.	No entrants to the scheme will be allowed, but the Charity will need to monitor the financial situation on an ongoing basis. There is a significant financial risk to the Charity but unfortunately there is little that can be done, except ensure that it works with the SUSS and make sure that adequate provision is made to mitigate the shortfall. The revaluation has been conducted by the actuaries and the impact of the increased Levy and payments are taken into account within the budget.

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Objectives and Activities

Objectives

The primary purpose of Loughborough Students' Union (LSU) is the advancement of education for students at Loughborough University for public benefit by:

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

Strategic Plan 2019-2025: Looking Forward

LSU faced significant disruption to both its commercial operations and student activities, as a result of COVID-19, however remained committed to the delivery of its Strategic Plan (albeit in a slightly unconventional way). The plan focused on eight key themes outlined below:

- Training and Development – to deliver training and development activities to the LSU's volunteers and staff.
- New Student Opportunities – increase the number of unique student engagements across the Students' Union.
- Supporting Members – understand the scope and nature of student support required.
- Change Makers – empowering student leaders at all levels to deliver change
- The Right Kind of Space – design a new building.
- Stable Income Streams – to increase LSU's disposable income.
- World Class Communication – to increase the reach and engagement with members.
- A New Way of Working – a satisfied, effective, and efficient staff team.

Within the parameters of the above objectives, LSU embarked upon a major refurbishment programme to deliver "The Right Kind of Space" for its members (following an announcement that the delivery of new building, due to be built by the University, was to be delayed).

The ground floor of the Students' Union building was extensively refurbished, alongside half of the first floor. The ground floor developments created an entirely new frontage for the building, delivering a space for students to socialise and work. The space formerly occupied by Cognito's was also repurposed to create an inviting space (operating across both the daytime and evening) to study, socialise and showcase student performers/local artists.

Upstairs, Fusion and Victory Bar were extensively renovated to include a new floor, bar frontage and backdrop, alongside the introduction of new booth seating and photo opportunities. The refurbishment work was well received by students and LSU staff alike, many of whom have commented on how much lighter and more welcoming the spaces now are. As a result of these works, the Students' Union is now firmly regarded as the 'living room' of the campus.

Despite the on-going challenges presented by COVID-19, we managed to maintain services and engagement with our student members through digital channels – this included continuing to provide peer support and welfare services and digitally focused student opportunities. Many of these changes have had a positive impact on the organisation and we will continue to see the positive impact of these changes in the future. With staff continuing to work at home, our platforms have further adapted and the majority of our operational functions (including finance, payroll, IT, people development, and governance) have the capability to be delivered remotely with no disruption to our service delivery.

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Public Benefit Statement

The Trustees developed the Strategic Plan for the start of the 2020 academic year, and the priorities undertaken during the 2020-21 academic cycle were to deliver LSU's primary purpose of the advancement of the education of students at Loughborough University; this has been achieved despite it not being in its traditional format. The Board acts with due regard for the requirements under the Charities Act to ensure its activities meet its obligation with regard to public benefit.

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Charitable Trust's aims and objectives and in planning its future activities.

Student Opportunities

LSU provides a wide range of services and activities for students. The majority operate with the involvement of student volunteers who are supported by members of the staff team. These activities include:

Advice & Academic Representation

The Advice & Academic Representation department support and empower students, both as a collective (through academic representation) and as individuals (through LSU Advice Service), in the pursuit of a high-quality and fair academic experience. They work closely with the Education and Welfare & Diversity Executive Officers to develop policy, campaigns, and projects to improve the student experience. Their critical friendship with the University enables them to work together to listen to and respond to the student voice, effect positive change and assure academic quality.

The LSU Advice Service provided independent, confidential and non-judgemental advice for 1,062 students and doctoral researchers in 2020-2021, supporting them through difficult times with their studies and a variety of university formal processes. Their areas of advice includes but are not limited to; academic misconduct, appealing results, disciplinary and car parking offences, mitigating circumstances or if they want to make a complaint to the University. A team of four Advisors work with University colleagues to avoid issues arising where possible and can support with informal resolution of disputes between staff and students/doctoral researchers.

The Academic Representation Coordinator worked closely with the Education Executive Officer, Taught School Presidents and Doctoral Researcher Presidents to support and lead a network of academic representatives focussed on feeding back the academic interests of students and enacting positive change. In 2020-2021, Course Reps (402) and Doctoral Researcher Reps (52) were led and supported by School Presidents (30) and Doctoral Researcher Lead Reps (9).

Peer Support

The Peer Support department empowers students to create a friendly and supportive environment through the creation of student-to-student sharing of knowledge, skills, and support. Through building learning communities, the peer-to-peer support allows students to enrich their broader student experience and thrive in their academic endeavors.

"Ask a Student" is an online portal for prospective, pre-arrival and current students to submit an enquiry and receive a personalised email response from a student. Departmental, international, BME, Mature, disability or general student experience mentors provide a tailored response to any question submitted. Mentors offered reassurance, insights, and empowered students to access the opportunities and support available to them. In the 2020-21 academic year, our volunteer mentors answered 214 questions.

In 2020-2021, Peer Support allocated over 4,500 first year, Foundation or Erasmus+ and International Exchange students a Peer Mentor. This provides an extra point of contact for students, easing their transition into university, welcoming them to their department, providing insight into their course, answering questions, and signposting to other relevant contacts. The student mentors also run additional initiatives, such as holding panel discussions,

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helping new students navigate and find their way around campus, or running revision cafes to create a productive and supportive study environment.

Throughout 2020-2021, Peer Support held over 248 hours of Peer Assisted Learning ("PAL") sessions. These optional study sessions, attached to a specific module, were facilitated by students who had already passed the module. Through organising discussion and activities, the student leaders provide a relaxed environment where students can ask questions and attendees are able to explore their learning content and gain a better subject understanding for themselves. Peer Assisted Learning allows students to take control of their own learning journey, revise concepts and explore the ideas covered on the course in more depth. Feedback reported the development of study skills, academic confidence, learner autonomy and improved subject knowledge from those that participated. In a year where COVID-19 severely impacted on students' ability to share, learn, and interact, PAL offered pastoral and academic support and guidance. Over 6,154 hours of attendance were recorded across both Semesters last year - a record for Loughborough.

Peer Supported also coordinates other Peer-Led initiatives. A Social and Support Network was established for both students undertaking a Masters, and for our Postgraduate Community on our London Campus. These learning communities provide opportunities for students to share experiences, gain support, network, and exchange knowledge with their Peers. A writing gym also supported Doctoral Researchers by providing a productive and supportive environment for self-study.

In total Peer Support, supported over 600 volunteers last year - providing over 100 hours of training. In this manner, Peer Support also offers a development opportunity to volunteers as well as recipients; enhancing skills and helping our graduates develop attributes such as leadership, communication, and emotional intelligence.

Training Academy

The LSU Training academy is a new LSU initiative which provides an inclusive, accessible and relevant development journey for students. It aims to support students by providing practical, flexible, and dynamic training opportunities. By creating a central space, LSU offers more students further opportunities to enhance their skills. Through promoting internal and external training, we work towards encouraging and inspiring our students to recognise themselves as leaders; giving them the ability to respond to challenges and effect change on a global platform.

LSU provides our leaders mandatory online training to ensure they are carrying out their leadership role in a safe, inclusive, and well-planned manner and ensuring they understand the values of their volunteer role. In 2020-21, LSU recorded 4,223 completions of online training modules by our student members with modules such as Equality, Diversity and Inclusion as well as Health and Safety. LSU is now working to develop further modules to help create knowledgeable, self-reliant and pro-active leaders within our community.

Several workshops were run to engage and develop our leaders, including two accredited female empowerment programmes. The three-day course for self-identifying female students explored goal setting, assertiveness, and the ability to embrace change.

Furthermore, LSU ran an accredited Mental Health First Aid course that aimed to provide our students a deeper understanding of mental health and the factors that can affect people's wellbeing, including their own. This course offered practical skills to spot the triggers and signs of mental health issues and developed our student's confidence to step in, reassure and support a person in distress. This learning outcomes report a development of non-judgmental listening skills as well as the knowledge to help someone recover their health by guiding them to appropriate support.

Finally, LSU ran two "Train the Trainer" courses, which allowed students to develop and deliver their own course and share their knowledge, experience and skills with the wider community. A session was delivered to Halls on leadership and creating a positive culture. A workshop was provided on how to apply for sponsorship, and a further training session was delivered on how to be an effective Trustee. In total, 160 individual instances of attendance for workshops were recorded. We are excited to build and grow this provision in support of our students' professional and personal development next year.

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Action

Action is where volunteering and student development fits within LSU. Action has a strong relationship with the wider Loughborough Community and local stakeholders, with students contributing thousands of volunteering hours each year to support good causes. The programme was adapted due to the impact of COVID-19 but despite this Action has still managed to have a significant impact on the community by engaging in the following:

- Engaging with volunteers through social media keeping them up to date with future projects and Action related news.
- Introducing the “Doing good, does you good campaign” whereby student volunteers shared their stories on social media which allowed them to engage with multiple student groups.
- The Soup Kitchen was able to reopen, which has and continues to have a significantly positive impact on the local community.
- LSU took 66 volunteers to Charnwood Alpaca Farm. They volunteered a total of 462 hours over one weekend, completing tasks which would have taken the staff on the farm approximately 3 months. Volunteering continued to take place throughout the year and in total, our volunteers completed some 2233 hours.
- “Operation Jingle Bells” ran in partnership with a local charity; Leicestershire’s Toys on the Table. LSU received monetary donations, physical donations alongside donations facilitated through an “Amazon Wishlist” for those who wanted to donate a physical gift but were unable to come into the building. We had worldwide engagement including donations from America and Singapore.
- Student Volunteer Week was somewhat different in 2019-20, however, a total of 23 volunteering opportunities were offered to over a 7-day period. These opportunities included landscaping, community litter picks, various A-Team projects including working with Waterside Care, and a weekend at the Alpaca Farm. In total, we had 152 volunteers contribute 680 hours.
- New projects were introduced which included Abroad in England, Football Youth club, Action Tutoring Sexpression.
- Action Awards went ahead virtually celebrating with over 50 people in attendance.

Welfare & Diversity

Welfare and Diversity encompasses all students during their University experience. From promoting positive health and wellbeing to providing underrepresented students with a voice, Welfare and Diversity ensures every student has a family at Loughborough.

- The move from face to face to digital spearheaded Black History Month, with included significant contributions by the Ethnic Minorities Network, by providing platforms, events, and spaces to uplift the Black communities we have at Loughborough.
- The successful bid for money to pay for LSU to implement the Sunflower Lanyard scheme, meaning that those with accessibility needs can communicate this difference to employees of LSU to ensure they can be understanding if people need a little more time or extra assistance with anything.
- Partnering with the University and working towards our institutional Race Equality Charter, LSU released a student survey with over 1000 responses, generating some extremely important data about ethnic minoritised students’ experiences at Loughborough, which will greatly inform our efforts to further race equity.

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- Christmas taskforce from late-November, which consisted of senior volunteers and University staff to provide a social and activity offering (online and in-person) to those students who, for whatever reason, did not go home during the festive season. For some students these circumstances were not pleasant, and the Union was focused on creating a fun and safe schedule of events, free dinners, festive celebrations, and gifts.
- The establishment of a BAME Student Council (or some other appropriate governance structure) that brings together student leaders and those with an interest in race equity in Loughborough.

Enterprise Santander Initiate Fund

LSU Enterprise were awarded £10,000 as an initiate fund for students to apply to. The funding is designed to encourage and help students try their ideas out, develop new business skills including understanding the need for market research and helping them develop their networking skills.

LSU received 72 student applications and awarded 26 students with funding up to £500. As part of the initiative this summer, LSU held a virtual initiate "Coffee Catch Up" with students, who had received funding, and Santander to talk through their ideas and developments. The students' business ideas and proposals ranged from digital designers, fitness and leisure apps, vertical smart garden concept, Independent music label and sustainable sanitation to name a few to name a few. We are now into the 3rd Year of the Santander Initiate Fund with applications currently open to students.

- LSU Enterprise has grown considerably throughout 2020-21 and celebrated 10 years of Enterprise in LSU. The social media engagement within the section increased by 205% with a reach of over 8,000 and engagement of 2,553 students.
- The section collaborated with several businesses delivering talks, workshops and interviews from: Accenture, Frontline (Josh Macalister – Forbes 30 Under 30), Red Bull, P&G, Raffael Russo (CEO of Peters Pizza, Slider Town and Loca8me), Eudaimonia, Bamboo African, Love Loughborough, Santander, Google Development Students, Like Mind Media, House Hack.
- Completed over 126, 1-2-1 business advice meetings with students and made 337 new connections through the LSU Enterprise LinkedIn page which covered students, Alumni, and businesses.
- Collaborating with other student groups across sections at LSU, reached 2,100 and engaged 343 students during our Black Business Showcase event. Inspired 180 students through our virtual workshops and engaged 327 students through Global Entrepreneurship Week.
- Ran an empowerment piece during International Women's Week in March. The campaign was around being proud of who you are and not feeling that you need to fit into a stereotype of a women in businesses. The campaigning was well received with over 3,000 people getting involved in posts sent out over the week and 800 students engaging with us.

Throughout 2020-2021, LSU Enterprise has grown in all aspects, from how it operated, to what activities launched, awareness and engagement, and potentially the most important one – how many students we have helped to get involved in LSU Enterprise.

RAG

Rag is the charity and fundraising section in Loughborough Students' Union. The section is dedicated to supporting student fundraising for whatever charity that they wish to support. The impact on the community and the personal experience that has been achieved by the student has far reaching consequences. The team is led by a paid Executive Officer who in turn is supported by a member of staff.

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Societies

The Societies section within LSU supports and develops a large variety of student group's interests and activities. In 2020-2021, LSU still had a significant membership across five different sections including Academic and Careers, Culture and Faith, General Interest, Outdoor and Sport and Performance and Arts.

Athletic Union

The Athletic Union has had a difficult year, as a result of COVID-19, with many associated restrictions causing disruption to LSU's athletic sporting programme. The return to play did take place during the latter part of the academic year, but with a focus on safe play in order to safeguard our student members.

Despite the setback this, the Athletic Union continued to strategically focussed itself towards its mission to meet the 2025 strategic vision set within its strategy. From staff to Athletic Union Executive Planning, the three main priorities were:

- Athletic Union Structure and Governance.
- Club Support Network and Development Resource.
- Athletic Union Visibility and Representation.

Awards

Student achievement is celebrated by a number of awards but the LEA Awards (Loughborough Experience Awards) which is held annually in June is our key event which is supported by key staff from the University who are invited and are keen to attend and support the events. This year, our Awards were held in person.

Other award events that were held include:

- Hall Committee Awards
- Loughborough Recognition Awards (a celebration of all LSU's Sections and the achievements of our student volunteers including Media, Enterprise, Action, Rag, Welfare and Diversity and Education).
- Loughborough Academic Awards

All sections are regular attendees at their respective national sectional awards, and a number including Action, Media, Rag, Welfare and Diversity and Societies have won multiple awards each year.

Entertainments and Events

For every stage of their university journey, LSU aims to provide opportunities for students to have fun and engage with the rich and varied student experiences available to them.

- Fresher's saw the delivery of one of the most diverse timetables of activity LSU has ever put on.
- The Sports and Societies Bazaars were delivered virtually, alongside taster sessions and online pub quizzes.
- A marquee, one of the largest in the UK, was hired on Shirley Pearce Square to facilitate what became the first iteration of 'The Socially Distanced Social Club'; a sat-down nightclub and entertainment venue with a capacity of over 400 on picnic benches of six.
- Bierkellers were run in the Students' Union building, once again utilising picnic benches for groups of six; aligning with government guidance on COVID-19 at the time.
- The daytime use of the spaces included a crazy golf circuit, yoga and Zumba classes, and inter-hall events.

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Other Students' LSU Services

- LSU supports key University events, from participating at Open Days for prospective students to providing practical support when the students move-in and also help students settle into their new environment.
- LSU retail outlets (located both within the LSU building and across the University campus) enable students to buy branded clothing alongside everyday essentials.
- Food outlets providing a choice of food to suit all dietary requirements.
- A dental outlet, hair salon and printing services.
- All of our part-time work vacancies have been advertised through LSU Job site on our website and we have helped over 500 students obtain employment within LSU.

Financial Review

The financial statements included within the financial statements are based on a 12 month period.

LSU has continued to benefit from the recognition and support of the University, and this year the annual block grant was £1,633,013 (2020: £1,496,939). LSU was in receipt of £1,663,013 (2020: £2,344,983) grant funding for the period.

The LSU's gross income for the group for all sources this year totalled £6,507,320 (2020: £8,745,325). Total expenditure was £6,680,870 (2020: £8,414,587) on the wide-ranging students benefits the LSU provide, as well as modest fundraising and other revenue-generating activities we undertake, gave a net expenditure of £173,550 (2020: net income of £330,738).

The Board of Trustees have reviewed their reserves and they will continue ensure that everything is done to build reserves and remain a financially viable Union.

Reserves

The Board of Trustees have reviewed the reserves of the charitable company and Group.

The reserves of the Group are in deficit by (£1,337,635) (2020: £1,107,146), comprising £3,554,753 (2020: £2,958,965) of designated capital funds, (£4,770,683) (2020: (4,870,601)) of pension deficit funds, £485,588 (2020: £444,997) of restricted funds and (£607,293) (2019: £359,493) of unrestricted free reserves. It is the intention of the Board to ensure that LSU has sufficient reserves which plans for maintenance of essential services for our users.

Our policy takes into account any risks associated with unplanned closures within the LSU business model and takes into account spending commitments, potential liabilities and financial forecasts.

The Board will ensure that the reserves policy is monitored and reviewed on an annual basis to ensure that it remains effective in the light of changing funding and financial climate and other risks. The Board are aware that the reserves are in deficit but that this is due to the impact of the revaluation of the pension scheme, whilst the Board is concerned by the outcome of the revaluation, their focus will be ensuring that the Charity maintains its focus on generating a surplus through trading activity to ensure we continually add to our reserves and ensure we have a strong cash position.

It is the Board intention to grow the reserves (excluding the SUSS) scheme so that it has the equivalent of nine months standard operating expenditure.

LOUGHBOROUGH STUDENTS' UNION

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 JULY 2021

Students Union Superannuation Scheme (Scheme)

The Scheme, now closed to new entrants, provides pension benefits in retirement and benefits on death either before or after retirement. The benefits provided by the Scheme are set out in the Trust Deed and Rules dated 31 March 2008 and any subsequent amendments to these rules is available on the Scheme's website. In accordance with Section 224(1) of the Pension Act 2004 the Trustees of the Scheme have had the Scheme undergo an actuarial valuation. The outcome of the valuation as of 30 June 2019 was as follows:

- The Scheme has assets to fulfil 46% of its technical provisions
- Participating Unions will contribute to the shortfall starting which increases by 5% per annum, 12.6% in 2020/21 and then increasing by 5% each subsequent October.
- The deficit is expected to be eliminated within 10 years and 11 months
- PPF Levy and related expenses will be paid in addition to the above shortfall as and when due
- Using the assumptions prescribed for the Section 179 valuation, the scheme had enough assets to cover 47% of its liabilities in respect of the compensation that would be paid by the Pension Protection Fund by the scheme.

The impact on the Union has been further explained under note 17.

Fundraising

Fundraising is conducted by the Charity, the Charity is aware of the importance that raising charitable funds in accordance with the Charities (Protection and Social Investment) Act 2016, included in section 13 of the Act and that our approach to fundraising is aligned to those requirements. The Charity is committed to offering all its student members the opportunity to take part in fundraising activities during their studies.

The Charity aims to offer support for a range of diverse activities through involvement in the Raise and Give Society (RAG) or through hiring of fundraising equipment for other society or individual student group. The charity will ensure all fundraising activities undertaken by students is accurately and properly recorded in order to provide the student body, the Board and our partners, this will include any complaints and how those complaints have been handled, ensuring that the approach to fundraising is inclusive and that the organisations we work with are aligned to our own values and goals. The approach is a purely voluntary and participative approach and the Charity strongly discourages any approach that is deemed unreasonably intrusive or persistent or applies undue pressure to donors.

There were no complaints received in respect of the Union's fundraising activities at the time of signing this report.

Third Party Indemnity

Qualifying indemnity provision is in place for the benefit of the Trustees of the Union.

Plans For The Future

Despite the ongoing pandemic the outlook for the Union is positive, the Charity has continued to engage positively with its student members and is very much determined to ensure that their experience is positive despite the ongoing restrictions, the support from Government in respect of the furlough scheme, and grants has enabled the Charity to continue to serve our student members. The Union has also restructured, and this will prove to have both a short-term and long-term positive financial impact.

LOUGHBOROUGH STUDENTS' UNION

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 JULY 2021**

Approval

The report of the Directors and Trustees has been prepared in accordance with the special provisions relating to the companies subject to the small companies regime within Part 15 of the Companies Act 2006.

This report was approved by the Trustees on 28 April 2022 and signed on their behalf by:

DocuSigned by:

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Andy Doyle, Chair

DocuSigned by:

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Matt Youngs, President

LOUGHBOROUGH STUDENTS' UNION

**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 JULY 2021**

Trustees' responsibilities statement

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

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Union will continue in business.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the group and charitable company's auditor is 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 auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Trustees on 28 April 2022 and signed on their behalf by:

DocuSigned by:

Andy Doyle

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Andy Doyle, Chair

DocuSigned by:

Matt Youngs

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Matt Youngs, President

LOUGHBOROUGH STUDENTS' UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOUGHBOROUGH STUDENTS' UNION

Opinion

We have audited the financial statements of Loughborough Students' Union Limited ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 31 July 2021 which comprise the group statement of financial activities, the consolidated and company only balance sheet, the consolidated cash flow statement 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 Group's and of the Parent Charitable Company's affairs as at 31 July 2021 and of the Group's incoming 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 Group and the Parent Charitable Company in accordance with the ethical requirements 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 related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

LOUGHBOROUGH STUDENTS' UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOUGHBOROUGH STUDENTS' UNION

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Report of the Trustees.

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 by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made;
- 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' exemptions in preparing the Trustees Report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below:

Our assessment focussed on key laws and regulations the Group and Parent Charitable Company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery and employment legislation.

LOUGHBOROUGH STUDENTS' UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOUGHBOROUGH STUDENTS' UNION

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Group and Parent Charitable Company and how the Group and Parent Charitable Company are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Group and Parent Charitable Company's control environment and how the Group and Parent Charitable Company have applied relevant control procedures, through discussions with Directors and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the Group and Parent Charitable Company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://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, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA
Senior Statutory Auditor
for and on behalf of:

COOPER PARRY GROUP LIMITED

Chartered Accountants
Statutory Auditors
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA
Date: 28 July 2022

LOUGHBOROUGH STUDENTS' UNION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE PERIOD ENDED 31 JULY 2021

		Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	2	-	2,664,160	2,664,160	2,344,983
Charitable activities	4	145,217	481,610	626,827	1,245,302
Other trading activities:					
Fundraising	3	-	2,474,553	2,474,553	4,196,812
Trading activities		-	409,746	409,746	957,022
Sale of Subsidiary	19	-	332,015	332,015	-
Investment income		-	19	19	1,206
Total income		145,217	6,362,103	6,507,320	8,745,325
<i>Continuing operations</i>		145,217	5,976,365	6,111,582	7,931,811
<i>Discontinued operations</i>		-	395,738	395,738	813,514
Expenditure on:					
Raising funds		-	3,072,604	3,072,604	4,228,615
Charitable activities		104,626	3,503,640	3,608,266	4,185,972
Total expenditure	5	104,626	6,576,244	6,680,870	8,414,587
<i>Continuing operations</i>		104,626	6,154,258	6,258,884	7,673,145
<i>Discontinued operations</i>		-	421,986	421,986	741,442
Net income before other recognised gains and losses		40,591	(214,141)	(173,550)	330,738
Transfers between funds	13	-	-	-	-
		40,591	(214,141)	(173,550)	330,738
Other recognised losses					
Actuarial losses on defined benefit pension schemes	17	-	(56,939)	(56,939)	(1,678,042)
Net movement in funds		40,591	(271,080)	(230,489)	(1,347,304)
Reconciliation of funds:					
Total funds brought forward	13	444,997	(1,552,143)	(1,107,146)	240,158
Total funds carried forward		485,588	(1,823,223)	(1,337,635)	(1,107,146)

The current period figures relate to the 12 months ended 31 July 2021. The prior period figures relate to the 11 months ended 31 July 2020.

All income and expenditure derive from continuing activities with the exception of activities associated with the Loughborough Students' Union Campus Nursery subsidiary which was sold in the year (see Note 19).

The notes on pages 23 to 40 form part of these financial statements.

LOUGHBOROUGH STUDENTS' UNION

CONSOLIDATED BALANCE SHEET AS AT 31 JULY 2021

			31 July 2021	31 July 2020
	Note	£	£	£
Fixed assets				
Tangible assets	8		3,554,753	2,958,965
Current assets				
Stocks		177,466		296,315
Debtors	10	276,605		192,887
Cash at bank and in hand		<u>675,775</u>		<u>790,212</u>
		1,129,846		1,279,414
Creditors: amounts falling due within one year	11	<u>(1,443,339)</u>	<u>(578,313)</u>	
Net current assets			<u>(313,493)</u>	<u>701,101</u>
Total assets less current liabilities			<u>3,241,260</u>	<u>3,660,066</u>
Creditors: amounts falling due after more than one year	12		-	(47,371)
Defined benefit pension scheme liability	12		<u>(4,578,895)</u>	<u>(4,719,841)</u>
Net assets			<u>(1,337,635)</u>	<u>(1,107,146)</u>
Union Funds				
Restricted funds	13		485,588	444,997
<i>Unrestricted funds</i>				
General funds	13		(607,293)	359,493
Designated – capital fund (including revaluation reserve)	13	3,554,753		2,958,965
Designated - pension reserve	13	<u>(4,770,683)</u>	<u>(4,870,601)</u>	
			(1,215,930)	(1,911,636)
Total funds			<u>(1,337,635)</u>	<u>(1,107,146)</u>

The financial statements were approved by the Trustees on 28 April 2022 and signed on their behalf, by:

DocuSigned by:

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Andy Doyle, Chair

DocuSigned by:

 1190776BA91E438...
Matt Youngs, President

Registered company number: 12000783

The notes on pages 23 to 40 form part of these financial statements.

LOUGHBOROUGH STUDENTS' UNION

UNION BALANCE SHEET AS AT ENDED 31 JULY 2021

	Note	£	31 July 2021 £	£	31 July 2020 £
Fixed assets					
Tangible assets	8		3,554,753		2,945,252
Investments	9		<u>20,000</u>		<u>20,001</u>
			3,574,753		2,965,253
Current assets					
Stocks		177,466		296,315	
Debtors	10	276,605		309,512	
Cash at bank and in hand		<u>675,775</u>		<u>551,852</u>	
		1,129,846		1,157,679	
Creditors: amounts falling due within one year	11	<u>(1,624,944)</u>		<u>(696,542)</u>	
Net current assets			<u>(495,098)</u>		<u>461,137</u>
Total assets less current liabilities			3,079,655		3,426,390
Creditors: amounts falling due after more than one year	12		-		(47,371)
Defined benefit pension scheme liability	12		<u>(4,578,895)</u>		<u>(4,719,841)</u>
Net assets			<u>(1,499,240)</u>		<u>(1,340,822)</u>
Union Funds					
Restricted funds	13		485,588		444,997
<i>Unrestricted funds</i>					
General funds	13		<u>(768,898)</u>		<u>139,530</u>
Designated – capital fund (including revaluation reserve)	13	3,554,753		2,945,252	
Designated - pension reserve	13	<u>(4,770,683)</u>		<u>(4,870,601)</u>	
			(1,215,930)		(1,925,349)
Total funds			<u>(1,499,240)</u>		<u>(1,340,822)</u>

The financial statements were approved by the Trustees on 28 April 2022 and signed on their behalf, by:

DocuSigned by:

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Andy Doyle, Chair

DocuSigned by:

 1190776BA91E438...
Matt Youngs, President

Registered company number: 12000783

The notes on pages 23 to 40 form part of these financial statements.

LOUGHBOROUGH STUDENTS' UNION

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2021**

	2021 £	2020 £
Cash flows from operating activities		
Net income/(expenditure) for the period	(230,489)	(1,347,304)
Adjustment for:		
Depreciation charges and loss on disposal of fixed assets	245,345	254,766
Gain on disposal of investment in subsidiary	(332,015)	-
SUSS charge net of repayments	(99,919)	1,562,932
Decrease in stocks	118,849	44,077
(Increase) /decrease in debtors	(83,718)	14,303
Increase/(decrease) in creditors	826,628	(1,309,563)
Net cash provided by operating activities	<u>444,681</u>	<u>(780,789)</u>
Cash flows from investing activities:		
Proceeds from sale of investment in subsidiary	345,000	-
Purchase of tangible fixed assets	<u>(854,118)</u>	<u>(104,113)</u>
Net cash used in investing activities	<u>(509,118)</u>	<u>(104,113)</u>
Cash flows from financing activities:		
Borrowings advanced in the period	-	50,000
Repayments of borrowings	<u>(50,000)</u>	<u>(11,835)</u>
Net cash used in financing activities	<u>(50,000)</u>	<u>38,165</u>
Change in cash and cash equivalents in the period	<u>(114,437)</u>	<u>(846,737)</u>
Cash and cash equivalents brought forward	790,212	1,636,949
Cash and cash equivalents carried forward	<u><u>675,775</u></u>	<u><u>790,212</u></u>

LOUGHBOROUGH STUDENTS' UNION

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

1. Accounting Policies

1.1 Basis of preparation of financial statements

Loughborough Students' Union is a company limited by guarantee and is a registered charity.

The address of the registered office is given on page 2 of these financial statements.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Loughborough Students' Union constitutes a public benefit entity as defined by FRS 102.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Union and its subsidiary undertakings, Loughborough Student Services Limited and Loughborough Students' Union Campus Nursery LTD. The results of the subsidiaries are consolidated on a line by line basis. Loughborough Students' Union Campus Nursery LTD was sold during the period, the results were consolidated on a line by line basis up to the point of disposal.

The accounts have been prepared for a period of 12 months ended 31 July 2021 (2020: 11 months ended 31 July 2020).

No separate SOFA has been presented for the Union alone as permitted by SORP.

The Union is a registered charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.2 Fund accounting

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

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

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

1.3 Basis of consolidation

The consolidated financial statements consolidate the results of the parent company and of the subsidiaries on a line by line basis. A separate Statement of Financial Activities and income and expenditure account for the charitable company itself are not presented because advantage has been taken of the exemptions afforded by section 408 of the Companies Act 2006.

LOUGHBOROUGH STUDENTS' UNION

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

1. Accounting Policies (continued)

1.4 Going concern

At the time of signing the accounts, the Trustees have considered the effect of the Coronavirus on the going concern position, and consider that after taking this into account, the group will continue to operate for a period of at least 12 months from the date of signing these accounts. At the balance sheet date the group had sufficient financial headroom to continue operating, significant funding has been secured with key partners. At the balance sheet date the group held significant cash balances and had significant net current assets. The deficit net funds position has arisen from an extension of the repayment period under which the Union is committed to paying deficit contributions, to reduce the deficit on the SUSS pension scheme, which is closed to new entrants. This deficit is repayable over a number of years, and is built into financial forecasts prepared by the executive team. Government support is utilised, where it is appropriate to do so, during the period and since the period end, the Furlough scheme has been used.

The financial forecasts prepared by the executive team show that the group will be able to operate within the facilities available to it.

On that basis, the Trustees have prepared these financial statements on a going concern basis.

1.5 Income

Income from donations and legacies are recognised at the point at which the Union becomes legally entitled to the funds.

All other income is derived from charitable activities and trading activities. This income is recognised if the following conditions are satisfied:

- the Union has transferred the significant risks and rewards of ownership to the buyer;
- the Union retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of income can be measured reliably;
- it is probable that the Union will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objectives of the union.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Union's operations, including support costs and costs relating to the governance of the Union apportioned to charitable activities.

LOUGHBOROUGH STUDENTS' UNION

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

1. Accounting Policies (continued)

1.8 Tangible fixed assets and depreciation

Tangible fixed assets (excluding freehold land and buildings) are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives:

Land	-	Not depreciated
Freehold property	-	5 - 40 years
Fixtures & fittings	-	3 - 10 years

Freehold land & buildings are carried at fair value at the period end less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date. Fair values are determined from market based evidence normally undertaken by professionally qualified valuers. Increases in an asset's carrying amount as a result of a revaluation are recognised as unrealised gains and are accumulated within funds.

1.9 Impairment

A review for impairment of a fixed asset is carried out if events or changes in circumstance indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the consolidated statement of financial activities.

1.10 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Union. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

LOUGHBOROUGH STUDENTS' UNION

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

1. Accounting Policies (continued)

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.12 Interest receivable

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

1.13 Pensions

The Union operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Union to the fund in respect of the period.

The Union participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary.

The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. The present value of the Union's share of the defined benefit scheme deficit funding liability is recorded as a liability, with annual movements in the present value unwound through the Statement of Financial Activities.

The scheme was closed to future accrual on 30 September 2011.

1.14 Debtors

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

1.15 Cash at Bank and in hand

Cash at bank and 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.

1.16 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Union anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

LOUGHBOROUGH STUDENTS' UNION

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

1. Accounting Policies (continued)

1.17 Financial instruments

The Group 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.18 Judgments in applying accounting policies and key sources of estimation uncertainty

Amounts included in the financial statements involve the use of judgment and/or estimation.

These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgments and estimation is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Judgments in applying accounting policies

The trustees must judge whether all of the conditions required for income to be recognised in the Statement of Financial Activity in the financial period, as set out above, have been met.

Sources of estimation uncertainty

- Depreciation rates are based on estimates of the useful lives and residual values of the assets involved;
- The valuation of Freehold Land & Buildings is a best estimate of the anticipated fair value of the property in its current condition and use. Management obtain a valuation from a RICS authorised valuer in determining an appropriate valuation to incorporate into the Balance Sheet at sufficiently regular intervals.

LOUGHBOROUGH STUDENTS' UNION

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

2. Income from donations and legacies

	Restricted funds 2020 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Grants	-	1,663,013	1,663,013	1,792,161
Other government grants	-	1,001,147	1,001,147	752,142
	<u>-</u>	<u>2,664,160</u>	<u>2,664,160</u>	<u>2,344,983</u>
Total 2020	<u>-</u>	<u>2,344,983</u>	<u>2,344,983</u>	

£913,464 of other government grants relates to income received under the Government's Furlough Scheme (2020: £752,142).

3. Income generating services

	Sales £	Cost of sales £	GP %	Other direct expenses £	Surplus 2021 £	Surplus 2020 £
Bars	281,187	141,849	49.55%	63,900	75,438	638,309
Entertainment	455,128	138,421	69.59%	171,407	145,300	287,226
	<u>736,315</u>	<u>280,270</u>	<u>61.94%</u>	<u>235,307</u>	<u>220,738</u>	<u>925,535</u>
Shops	1,200,217	860,622	28.29%	325,544	14,051	135,817
Catering	334,110	116,319	65.19%	170,550	47,241	72,093
Partnership	28,520	-	100.00%	18,013	10,507	-
Car parking	3,344	-	100.00%	-	3,344	12,620
Rents and franchises	172,047	424	99.75%	142,258	29,365	25,609
Total	<u>2,474,553</u>	<u>1,257,635</u>	<u>49.18%</u>	<u>891,672</u>	<u>325,246</u>	<u>1,171,674</u>
Total 2020	<u>4,196,812</u>	<u>1,974,430</u>	<u>52.95%</u>	<u>1,050,708</u>	<u>1,171,674</u>	

4. Other incoming resources

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
RAG	-	1,823	1,823	44,515
Membership	40,822	307,198	348,020	683,435
Income from student activities	104,395	172,589	276,984	517,352
Total	<u>145,217</u>	<u>481,610</u>	<u>626,827</u>	<u>1,245,302</u>
Total 2020	<u>418,832</u>	<u>826,470</u>	<u>1,245,302</u>	

LOUGHBOROUGH STUDENTS' UNION

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

5. Analysis of Expenditure by expenditure type

	Cost of sales 2021 £	Staff costs 2021 £	Depreciation 2021 £	Support costs 2021 £	Total 2021 £	Total 2020 £
Costs of generating funds:						
Income generating services	1,257,635	891,672	76,116	412,340	2,637,763	3,407,932
Fundraising expenses	48,997	348,315	728	36,801	434,841	820,683
Total costs of generating funds	<u>1,306,632</u>	<u>1,239,987</u>	<u>76,844</u>	<u>449,141</u>	<u>3,072,604</u>	<u>4,228,615</u>

All costs of generating funds expenditure are unrestricted in nature.

Expenditure on Union activities:

RAG	-	-	-	3,825	3,825	35,792
Pension Scheme Service costs	-	35,414	-	96,087	131,501	124,427
Support Services	-	1,008,546	86,092	944,635	2,039,273	1,802,781
Representation & Member Services	-	730,225	62,334	33,083	825,642	934,051
Membership Relations	-	118,867	10,147	(1,395)	127,619	177,584
Student Activities	-	116,301	9,928	354,177	480,406	1,111,337
Total expenditure on Union Activities	<u>-</u>	<u>2,009,353</u>	<u>168,501</u>	<u>1,430,412</u>	<u>3,608,266</u>	<u>4,185,972</u>

Total resources expended 1,306,632 = 3,249,340 245,345 1,879,553 6,680,870 8,414,587

Union activities summary by fund type

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total expenditure 2021 £	Total expenditure 2020 £
RAG	-	3,825	3,825	35,792
Pension Scheme Service costs	-	131,501	131,501	124,427
Support Services	-	2,039,273	2,039,273	1,802,781
Representation & Member Services	-	825,642	825,642	934,051
Membership Relations	-	127,619	127,619	177,584
Student Activities	104,626	375,780	480,406	1,111,337
Total	<u>104,626</u>	<u>3,503,640</u>	<u>3,608,266</u>	<u>4,185,972</u>
Total 2020	<u>259,753</u>	<u>3,926,219</u>	<u>4,185,972</u>	

LOUGHBOROUGH STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

6. Net resources expended

	2021	2020
	£	£
Depreciation of tangible fixed assets	245,345	251,921
Loss on disposal of tangible fixed assets	-	2,845
Gain on disposal of subsidiary	332,015	-
Auditor's remuneration - audit	14,000	16,500
Auditor's remuneration - non audit	-	2,500
Pension costs (scheme interest)	96,087	104,643
Pension costs (change in discount rate)	56,939	92,575
Pension costs (extension of the contribution schedule)	-	1,678,042

During the period, Trustees received reimbursement of expenses totalling £nil (2020 - £250) in relation to their roles as Trustees.

7. Staff costs

Staff costs were as follows:

	2021	2020
	£	£
Wages and salaries	2,916,433	3,563,535
Social security costs	199,326	211,937
Pension costs (defined contribution schemes)	133,581	192,201
	<u>3,249,340</u>	<u>3,967,673</u>

Included within staff costs are termination payments totalling £25,300 (2020 - £86,520) which were funded from unrestricted funds.

The average number of persons employed by the Union during the period was as follows:

	2021	2020
	No.	No.
Income generating services	148	191
Support services	33	41
Member relations	6	7
Student activities	3	23
Representation & member services	25	24
Campus nursery	18	36
	<u>233</u>	<u>322</u>

The number of higher paid employees was:

	2021	2020
	No.	No.
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

Key management personnel

The key management personnel of the Union comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including pension contributions and employer's national insurance contributions) received by key management personnel for their services to the union was £545,430 (2020 - £543,562) (this includes payment of salaries to executive committee members and sabbatical student officers as detailed in Note 18).

LOUGHBOROUGH STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

8. Tangible fixed assets

Group	Freehold Land & Buildings £	Fixtures, fittings & equipment £	Total £
Cost or valuation			
At 1 August 2020	3,689,484	698,055	4,387,539
Additions	808,113	46,005	854,118
Disposals	-	(14,563)	(14,563)
At 31 July 2021	<u>4,497,597</u>	<u>729,497</u>	<u>5,227,094</u>
Depreciation			
At 1 August 2020	865,668	562,906	1,428,574
Charge for the period	156,101	89,244	245,345
Eliminated on disposal	-	(1,578)	(1,578)
At 31 July 2021	<u>1,021,769</u>	<u>650,572</u>	<u>1,672,341</u>
Net book value			
At 31 July 2021	<u>3,475,828</u>	<u>78,925</u>	<u>3,554,753</u>
At 31 July 2020	<u>2,823,816</u>	<u>135,149</u>	<u>2,958,965</u>

Freehold Land & Buildings are included in the Balance Sheet at valuation (see note 1.8 and 1.18). The carrying amount that would have been recognised had the assets been carried under the cost model for Freehold Land & Buildings at the period end date is £301,332 (2020 - £391,267).

Included within Freehold Land & Buildings is Land which is not depreciated and is valued at £2,432,549 (2020 - £2,432,549).

Union	Freehold Land & Buildings £	Fixtures, fittings & equipment £	Total £
Cost or valuation			
At 1 August 2020	3,689,484	683,492	4,372,976
Additions	808,113	46,005	854,118
Disposals	-	-	-
At 31 July 2021	<u>4,497,597</u>	<u>729,497</u>	<u>5,227,094</u>
Depreciation			
At 1 August 2020	865,668	562,056	1,427,724
Charge for the period	156,101	68,516	244,617
Eliminated on disposal	-	-	-
At 31 July 2021	<u>1,021,769</u>	<u>650,572</u>	<u>1,672,341</u>
Net book value			
At 31 July 2021	<u>3,475,828</u>	<u>78,925</u>	<u>3,554,753</u>
At 31 July 2020	<u>2,913,751</u>	<u>195,867</u>	<u>3,109,618</u>

LOUGHBOROUGH STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

9. Fixed asset investments

	<u>Group</u>		<u>Union</u>	
	2021	2020	2021	2020
	£	£	£	£
Value at 1 August 2020	-	-	20,001	-
Additions	-	-	-	1
Disposals	-	-	(1)	-
Reversal of impairment	-	-	-	20,000
Value at 31 July 2021	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,001</u>

Company name	Country	Percentage Shareholding	Description
Loughborough Student Services Limited	England and Wales	100%	Trading activities for the Union
		Profit / (Loss)	Capital & Reserves
		£	£
		88	161,605

10. Debtors

	<u>Group</u>		<u>Union</u>	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	95,677	50,826	95,677	16,394
Amounts owed by group undertakings	-	-	-	147,353
Amounts owed by related parties	39,710	3,142	39,710	3,142
Other debtors	97,906	75,325	97,906	79,029
Prepayments and accrued income	43,312	63,594	43,312	63,594
	<u>276,605</u>	<u>192,887</u>	<u>276,605</u>	<u>309,512</u>

LOUGHBOROUGH STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

**11. Creditors:
Amounts falling due within one year**

	Group		Union	
	2021	2020	2021	2020
	£	£	£	£
Loan – BBLS	-	2,629	-	2,629
Trade creditors	354,863	71,703	354,863	65,238
Amounts owed to group undertakings	-	-	181,605	166,470
Amounts due to related parties	5,940	57,742	5,940	57,742
Other taxation and social security	56,558	76,639	56,558	76,639
Other creditors	152,004	5,581	152,004	5,581
Accruals and deferred income	682,186	213,258	682,186	171,482
Defined benefit scheme deficit funding liability	191,788	150,761	191,788	150,761
	<u>1,443,339</u>	<u>578,313</u>	<u>1,624,944</u>	<u>696,542</u>

Included within other debtors is £5,264 (2020: other debtors £15,091) of net balances paid to third party Charities, being monies fundraised by the RAG department for local, national and international charities which have been received via the Loughborough Students' Union bank account. A separate bank account is in operation and overseen by the RAG Administrator.

Included within accruals and deferred income:

	Group		Union	
	2021	2020	2021	2020
	£	£	£	£
Deferred income at 1 August 2020	67,671	763,385	27,438	763,385
Resources deferred during the period	13,052	67,671	13,052	27,438
Resources released from previous periods	(67,671)	(763,385)	(27,438)	(763,385)
	<u>13,052</u>	<u>67,671</u>	<u>13,052</u>	<u>27,438</u>

Deferred income consists of grant funding received in advance.

LOUGHBOROUGH STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

12. Creditors:
Amounts falling due after more than one year

	<u>Group</u>		<u>Union</u>	
	2021	2020	2021	2020
	£	£	£	£
Loan – BBLS	-	47,371	-	47,371
Defined benefit scheme deficit funding liability	4,578,895	4,719,841	4,578,895	4,719,841
	<u>4,578,895</u>	<u>4,767,212</u>	<u>4,578,895</u>	<u>4,767,212</u>

Included within the above are amounts falling due as follows:

	<u>Group</u>		<u>Union</u>	
	2021	2020	2021	2020
	£	£	£	£
Between two and five years				
Defined benefit scheme deficit funding liability	957,869	861,183	957,869	861,183
Loan – BBLS	-	47,371	-	47,371
	<u>957,869</u>	<u>908,554</u>	<u>957,869</u>	<u>908,554</u>

More than 5 years

Defined benefit scheme deficit funding liability	<u>3,621,026</u>	<u>3,858,658</u>	<u>3,621,026</u>	<u>2,298,724</u>
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There was no security over the Bounce Back Loan Scheme (BBLS) of £50,000 (2020: £50,000). The loan was repayable in annual instalments over five years. Interest was charged at 2.50% on this loan. The loan was repaid early in 2021.

LOUGHBOROUGH STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

13. Statement of funds – current period

	Brought Forward at 1 Aug 2020 £	Income £	Expenditure £	Transfers £	Gains & losses £	Carried Forward at 31 July 2021 £
Designated funds						
Capital fund – trading activities	13,713	-	(13,713)	-	-	-
Capital fund – Charity	512,703	-	(244,617)	854,118	-	1,122,204
Revaluation reserve	2,432,549	-	-	-	-	2,432,549
Pension deficit	(4,870,601)	-	(96,087)	252,944	(56,939)	(4,770,683)
	<u>(1,911,636)</u>	-	<u>(354,417)</u>	<u>1,107,062</u>	<u>(56,939)</u>	<u>(1,215,930)</u>
General funds						
General Reserve	139,529	5,952,357	(5,785,921)	(1,074,863)	-	(768,898)
Trading activities	219,964	409,746	(435,906)	(32,199)	-	161,605
	<u>359,493</u>	<u>6,362,103</u>	<u>(6,221,827)</u>	<u>(1,107,062)</u>	<u>-</u>	<u>(607,293)</u>
Total Unrestricted funds	<u>(1,552,143)</u>	<u>6,362,103</u>	<u>(6,576,244)</u>	<u>-</u>	<u>(56,939)</u>	<u>(1,823,223)</u>
Restricted funds						
Other restricted grants	603	-	-	-	-	603
Athletic Union	267,497	104,756	(72,010)	-	-	300,243
Clubs & Societies	176,897	40,461	(32,616)	-	-	184,743
	<u>444,997</u>	<u>145,217</u>	<u>(104,626)</u>	<u>-</u>	<u>-</u>	<u>485,588</u>
Total of funds	<u>(1,107,146)</u>	<u>6,507,320</u>	<u>(6,680,870)</u>	<u>-</u>	<u>(56,939)</u>	<u>(1,337,635)</u>

LOUGHBOROUGH STUDENTS' UNION

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

Description of funds

Designated funds:

Capital fund	This represents the net book value of fixed assets (excluding land) held by Loughborough Students' Union (Charity line) and the subsidiaries (trading activities line).
Revaluation reserve	This represents the net book value of land which was recognised at valuation in the 31/08/2018 accounts.
Pension deficit	This represents the discounted value of deficit contribution payments that Loughborough Students' Union is committed to pay in line with the disclosures within the pension note.

Restricted funds:

Other restricted grants	Grants received with restrictions on use imposed by the donor.
Campus scholarship	This represents the unspent balance of funds collected under the Loughborough Students' Union Campus Scholarship scheme
Athletic Union	Funds raised by the Athletic Union are recognised as restricted income and will be applied to the expenditure of the Athletic Union. Any unspent funds are carried forward at the end of the period and will be spent in future years.
Clubs & Societies	Funds raised by individual clubs and societies are recognised as restricted income and will be applied to the expenditure of that club or society. Any unspent funds are carried forward at the end of the period and will be spent in future years by the appropriate club or society.

Transfers between funds

£854,118 was transferred to the capital funds (designated) from the general reserves to reflect in-year tangible fixed asset additions.

£252,944 was transferred to pension deficit reserve (designated) from the general reserves reflect the value of pension deficit contribution payments made in the period.

£32,189 was transferred to general reserves from trading activities to reflect the in-year transfers of resources between the parent charity and its subsidiary undertakings.

LOUGHBOROUGH STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

14. Statement of funds – prior period

	Brought Forward at 1 Sept 2019 £	Income £	Expenditure £	Transfers £	Gains & losses £	Carried Forward at 31 July 2020 £
Designated funds						
Capital fund – trading activities	-	-	(850)	14,563	-	13,713
Capital fund – Charity	677,069	-	(253,916)	89,550	-	512,703
Revaluation reserve	2,432,549	-	-	-	-	2,432,549
Pension deficit	(3,307,670)	-	(253,916)	219,753	(1,678,042)	(4,870,601)
	(198,052)	-	(254,766)	323,866	(1,678,042)	(1,911,636)
General funds						
General Reserve	(9,313)	7,369,471	(6,975,593)	(245,037)	-	139,529
Trading activities	161,605	957,021	(819,833)	(78,829)	-	219,964
	152,292	8,326,492	(7,795,426)	(323,866)	-	359,493
Total Unrestricted funds	(45,760)	8,326,492	(8,154,834)	-	(1,678,042)	(1,552,143)
Restricted funds						
Other restricted grants	603	-	-	-	-	603
Campus Scholarship	6,659	-	(6,659)	-	-	-
Athletic Union	144,763	259,686	(136,952)	-	-	267,497
						-
Clubs & Societies	133,893	159,147	(116,142)	-	-	176,897
	285,918	418,833	(259,753)	-	-	444,997
Total of funds	240,158	8,745,325	(8,414,587)	-	(1,678,042)	(1,107,146)

LOUGHBOROUGH STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

15. Analysis of net assets between funds

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Tangible fixed assets	-	3,554,753	3,554,753	2,958,965
Current assets	485,588	644,258	1,129,846	1,279,414
Creditors due within one year	-	(1,443,339)	(1,443,339)	(578,313)
Creditors due in more than one year	-	(4,578,895)	(4,578,895)	(4,767,212)
	<u>485,588</u>	<u>(1,823,223)</u>	<u>(1,337,635)</u>	<u>(1,107,146)</u>

16. Capital commitments

At 31 July 2021 the Group and Union had capital commitments of £178,645 (2020: £141,435).

17. Pension commitments

The Union is a member of the NUSPS defined contribution (money purchase) pension scheme. The total contributions paid into the scheme by the Union in respect of eligible employees for the period ended 31 July 2021 amounted to £252,945 (2020 - £172,417).

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

The most recent Valuation of the Scheme was carried out as at 30 June 2019 and showed that the market value of the Scheme's assets was £119,103,000 with these assets representing 32% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £140,907,000.

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

The following assumptions applied at 30 June 2019:

- The investment return would be 4.0% per annum before retirement and 2.0% per annum after retirement
- Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2019 Valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 14 years and 10 months and increased by 12.6% from 1 October 2021 and by a further 5% each subsequent year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. In addition to the above contributions, the Union also pays its share of the Scheme's levy to the Pension Protection Fund.

The scheme is closed to future accrual.

LOUGHBOROUGH STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

17. Pension commitments (continued)

PRESENT VALUES OF PROVISION

	2021	2020
	£	£
Present value of provision		
Pension liability due in a year	191,788	150,761
Pension liability due after a year	4,578,895	4,719,841
	<hr/>	<hr/>
Present value of provision	4,770,683	4,870,602

Reconciliation of opening and closing provisions

	Period Ending 31 July 2021 £
Provision at start of period	4,870,602
Unwinding of the discount factor (interest expense)	96,087
Deficit contribution paid	(252,945)
Remeasurements – change of discount factor	<hr/> 56,939
Provision at end of period	<hr/> <hr/> 4,770,683

Statement of Financial Activities impact

	Period Ending 31 July 2021 £
Interest expense	96,087
Remeasurements – change of discount factor	<hr/> 56,939
Costs recognised in income and expenditure account	<hr/> <hr/> 153,026

LOUGHBOROUGH STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2021**

18. Related party transactions

During the year Loughborough Students' Union had the following related party transactions:

	2021	2020
	£	£
Grants and income received from Loughborough University	2,168,747	1,736,923
Amounts advanced by Loughborough University	412,587	-
Proceeds on disposal of Loughborough Students' Campus Nursery Ltd received from Imago @ Loughborough Limited, a company owned and controlled by Loughborough University	345,000	-
Payment of salaries to executive committee members and sabbatical student officers	215,712	212,312
Reimbursed expenses to executive committee members and sabbatical student officers	1,130	2,116
Other Trustees' expenses	-	250
Payments to Loughborough University	224,105	235,931
Income from Loughborough College	30,000	60,912
Amounts owed to Loughborough University	5,646	57,742
Amounts owed from Loughborough University	39,710	3,142
Amounts owed from Loughborough College	-	-
Amounts owed to Loughborough College	-	2,693
Loan repayments to Loughborough University	-	11,835
Sales made to Loughborough Student Services Limited	13,304	140,410
Gift aid payable from Loughborough Student Services Limited	88	3,097
Income received by LSU on behalf of Loughborough Student Services Limited	37,434	190,957
Amounts owed to Loughborough Student Services Limited	181,605	146,469
Costs recharged to Loughborough Student's Union Campus Nursery LTD	356,801	674,007
Management and other recharges made to Loughborough Student's Union Campus Nursery LTD	20,004	61,169
Income received by LSU on behalf of Loughborough Student's Union Campus Nursery LTD	594,198	590,921
Gift aid paid from Loughborough Student's Union Campus Nursery LTD	73,137	-
Amounts owed to LSU	-	144,256
Donations from trustees – with no conditions attached	<u>-</u>	<u>5,000</u>

19. Disposal of Loughborough Students' Campus Nursery Ltd

On 1 February 2021 The Union disposed of its controlling shareholder interest in Loughborough Students' Campus Nursery LTD, the consideration is based on an agreed upon independent valuation. The surplus recognised on the disposal was £332,015 and sale proceeds were £345,000.

In the results of the group, the revenue associated with the subsidiary was £395,738 (2020: £813,514) and a net loss of £26,248 (2020: net profit of £72,072) was attributable to the subsidiary's activities.

20. Subsequent Events

In July 2022 the Union entered into a sale and leaseback arrangement with Loughborough University of its freehold interests in the building and land that make up Loughborough Students' Union, the consideration is based on an independent valuation. The sales price is £3,750,000, and rent of £300,000 per annum is initially payable under the 50 year leasing agreement.