

Charity number: 1142741

**Liverpool John Moores University Students' Union**

Trustees' Report and Financial Statements

For the Year Ended 31 July 2020



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**Liverpool John Moores University Students' Union**

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**Reference and Administrative Details of the Charity, its Trustees and Advisers  
For the Year Ended 31 July 2020**

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**Trustees**

J Daer (resigned 30 June 2020)  
J Mclean  
M Hodgson  
E Driver (resigned 30 June 2020)  
M Burke (resigned 30 June 2020)  
Z Jackman (resigned 30 June 2020)  
M Hill  
L Tamea, President  
M Foster (resigned 1 July 2020)  
T Shahzad (appointed 1 July 2020)  
E Roxbee-Cox (appointed 1 July 2020)

**Charity registered  
number**

1142741

**Principal office**

John Foster Building  
80-98 Mount Pleasant  
Liverpool  
L3 5UZ

**Independent auditor**

Dains LLP  
Suite 2, Albion House  
2 Etruria Office Village  
Forge Lane  
Stoke on Trent  
Staffordshire  
ST1 5RQ

**Bankers**

The Co-Operative Bank  
1 Bold Street  
Liverpool  
L1 4NW

Deposit Account  
50 Lord Street  
Liverpool  
L2 1TD

**Solicitors**

DWF LLP  
1 Scott Place  
2 Hardman Street  
Manchester  
M3 3AA

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## **Liverpool John Moores University Students' Union**

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### **Trustees' Report For the Year Ended 31 July 2020**

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The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 August 2019 to 31 July 2020.

#### **Objectives and activities**

##### **The Aims, Objectives and Activities of the Students' Union**

Our Constitution defines our aims are to advance the education of students at Liverpool John Moores University (LJMU) by:

- Representing, supporting and advising students at LJMU and promoting their interests and welfare;
- Being the recognised representative channel between students and LJMU, and any other external bodies;
- Providing social, cultural, sporting and recreational activities and forums for discussions and debate for students' personal development.

In pursuit of these aims for the public benefit, the Union will ensure the diversity of its membership is recognised, valued and supported and has established departments and services for use by its members and to support its work with LJMU and other organisations on behalf of students. These include Student Opportunities & Development, Student Voice & Campaigns, and Marketing & Communications. The Sabbatical Officers sit on key LJMU committees and meet regularly with local councillors, the Police and Crime Commissioner and other providers of public services affecting students.

The Union continues to represent the students of this University on relevant local, national and international issues by maintaining a high proportion of student representatives. Student representatives now sit on and contribute to over 50 University committees and academic programme forums which allows the Union to cater effectively to the needs of the students. Student representatives are present on all policy and strategy making boards.

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

**Trustees' Report (continued)**  
**For the Year Ended 31 July 2020**

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**Achievements and performance**

Following the organisational review instigated in 2018/19, 2019/20 saw a significant allocation of time and resource towards the organisational restructure, repurposing roles and service teams to better support student engagement, student representation and to achieve the strategic aims and objects of the charity. A significant change was the diversion of resources to student facing areas, predominantly Student Voice and Campaigns and Student Opportunities and Development.

The following headline statistics demonstrate our impact with student-facing activities during 2019/20:

A successful Welcome Week induction period with over 11,000 students attending Freshers Fair over two days, attracting over 400 exhibitors.

2,531 students participated in 71 welcome week events.

Over 4,000 students bought wristbands and participated in the Welcome Week Evening social event programme.

1,415 society memberships and 2,053 sports club memberships were achieved among the student population within over 100 student-led groups.

Over 700 Student Advice cases were advised upon signposting over 1000 different issues.

Voting in the main JMSU Student Officer elections took place between 10-12th March and candidates saw the reduction to the 3-day voting period proposed in 2019 as a positive change. JMSU saw a 15.14% voter turnout (3,174 voters and 11,101 votes cast).

410 Registered Course Reps – with 242 of these completing our online training.

Over 600 Amazing Teaching Award Nominations from students and 100 attendees on our first ever, online Amazing Teaching Awards (due to COVID-19).

Over 1,000 students and 100 stalls supported the Refreshers Fair offering an additional chance for students to engage with student groups and join clubs and societies.

A number of Equality, Diversity and Inclusion campaigns were facilitated by the Part Time Officer Team (PTO) officers include the following remits: Womens, International, BAME, Disabled, Trans and Non-Binary and LGBTAQ+, Multi-Faith and Postgraduate).

**In addition to this, our Officer and Staff team achieved several successful outcomes from their projects:**

- Progressed our work on a number of joint Student Wellbeing and Mental Health projects in conjunction with LJMU, University of Liverpool, Liverpool Health Partnerships and the Student Minds Charity developing JMSU's first ever Wellbeing Action Plan.
- Supported the successful fundraising activity 'Row Britannia' engaging staff, students and student groups in rowing for charity.
- Facilitated Student Sustainability Week and trialled the use of Ecosia on university PCs (Ecosia is a research-suitable search engine that plants trees with user's searches) and planted over 3200 trees over a 5-day period.

**Trustees' Report (continued)**  
**For the Year Ended 31 July 2020**

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**Achievements and performance (continued)**

- Continued Student representation and input into the Estates development, in particular the Student Life Building and Sports Centre opening in January 2021.
- Attendance at over 170 University Committees committing over 300 hours of representation time.
- Supported world Hijab Day engaging students to raise awareness and challenge misconceptions around the wearing of the Hijab.
- Supported the joint LJMU – JMSU Reciprocal Mentoring Scheme whereby BME students mentored senior leaders in the University to support Equality, Diversity and Inclusion.
- 'Attack the Gap' – The VP Academic Quality proposed a new advisory committee / group bringing together practice across the institution, with both BAME and white staff working in collaboration to share ideas.
- Module Book Rescue - Collaborating with the library team, this project and trial launched across all JMU Libraries to facilitate students donating their old module books so that other students can take them with the aim of aiding students financially and making the university more sustainable.
- 'This Student Can' campaign during Refreshers week to break down barriers in sport and societies engaged a number of student groups adapting their activity, including:
  - A sitting volleyball competition organised for disabled and able-bodied students.
  - LGBT group facilitated a Women only football open session.
  - Cultural evenings arranged by BAME students to help students learn about different cultures.
  - Science Technology Engineering and Maths society organised an event to encourage more women into Stem studies.
- #KnowYourRightsJMSU: The VP Academic Quality relaunched the Know Your Rights Campaign to ensure students are aware of their rights around academic policy, housing, employment and finances.

**COVID-19**

Following guidance from Public Health England and the University, in March 2020 JMSU moved entirely online and all face-to-face activity was been cancelled or postponed. This included all sports and society activity, the Amazing Teaching Awards, the Clubs and Society Awards and the evening talk with Peter Moore, CEO from LFC.

JMSU diverted all resources to student support and assisting the activity and communication provision of the university. The website ([jmsu.co.uk](http://jmsu.co.uk)) was stripped back to provide content only around COVID-19, student support and wellbeing. We developed a position statement on the situation and concentrated on three main objectives:

1. Ensuring there is clear and consistent communication to students regarding the situation and how this affects their studies;
2. Working with [students] and the University to represent students interests and minimise impact;
3. Ensuring that we continue to support the health and wellbeing of students at LJMU wherever they may be during the course of this pandemic.

Since March 2020 JMSU worked with the university to increase support available for students including the No Detriment Framework and lobbied hard to ensure no student was disadvantaged through COVID-19 either through access to IT, financial and bursary support and helping students exit accommodation contracts.

**Trustees' Report (continued)**  
**For the Year Ended 31 July 2020**

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**Financial review**

The group's gross income from all sources this year totalled £1,309,092 (2019: £1,488,159). Expenditure of £2,417,678 (2019: £1,350,693) on the wide-ranging student benefits we provide within a broadly balanced budget, as well as on the modest fundraising and other revenue-generating activities we undertake, left an operating deficit for the year of £1,108,586 (2019: surplus of £137,466) including accounting for movements in the pension liability.

With the entry into effect of FRS102 there has been a change of accounting policy regarding pension deficits. In June 2019 SUSS underwent its triennial actuarial valuation and the outcome was reported to member Unions in March 2020. Notifications of increases in deficit contributions were received in May 2020, and therefore the accounts recognise an increase in the Union's liability for those charges up to October 2035.

During the 2019/20 financial year, deficit reduction contributions were made totalling £178,298. The year-end accounts have recalculated the net present value of the remaining expected contributions up to October 2035. An adjustment to the revised future contributions has been charged to the SOFA, leaving the group's total reserves with an accumulated deficit of £3,661,400 (2019: £2,552,814).

**a. Going concern**

The group has net liabilities of £3,661,400 (2019: £2,552,814), due to the recognition under Charities SORP (FRS 102) of the net present value of the funding deficit on the SUSS pension recovery plan. Further information is detailed in note 26 to the accounts. This is a long-term commitment which ends in 2035 and the trustees are confident that annual payments towards this plan will be met out of income for each year.

After making appropriate enquiries, and taking into consideration the financial forecasts in response to the Covid 19 pandemic, the trustees have a reasonable expectation that the Union has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**b. Reserves policy**

The Trustees have adopted a reserves policy, the objective of which is to protect the Union and its charitable activities by ensuring adequate liquidity while the organisation adjusts to any short term (two to three months) changes it encounters in its financial and operating environment. At the same time the Trustees wanted to ensure reserves were not too high in order to maximise the resources applied to the Union's charitable purpose, and to be able to designate specific funds to support the ongoing activities of the Union. Following this policy, the Trustees have set a medium-term target of the Union holding £250,000 in unrestricted funds (not including the pension deficit reserve) by 2022.

As noted above, due to the recognition of the pension scheme requirements of FRS102, JMSU's income and expenditure reserves are an accumulated deficit of £3,661,400 (2019: £2,552,814). Within that figure, unrestricted reserves total £326,139 (2019: £277,820).

**c. Investment policy**

The Union held no investments at the year end.

The Union currently holds any surplus cash balances in bank and building society accounts, which are held to finance creditor payments. A strategy for managing these balances was approved by Trustees in April 2013, the objective of which is for cash balances to be managed in different bank and building society accounts to: maximise rates of interest, minimise the Union's exposure to any potential institutional banking risks and avoid involvement with banks or building societies which may be perceived to be unethical.

**Trustees' Report (continued)**  
**For the Year Ended 31 July 2020**

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**Financial review (continued)****d. Principal funding**

All funds have been classified as General Funds in the annual accounts, with no restrictions having been identified in relation to funding streams. As such, the Union has not identified any restricted funds in its accounts. Under Charity accounting these would require separate disclosure and an explanation were they to be in deficit: this does not apply to JMSU.

The balance of pension deficit payments has been shown as a separate reserve.

At the end of the 2018/19 financial year, the Union had established a designated Union Transition reserve of £40,000, being a fund to cover the costs of an organisation restructuring exercise during the autumn of 2019. That reserve fund has been utilised during the 2019/20 financial year, leaving the following funds being held at year end:

Item	31 July 2020 £	31 July 2019 £
<b>General Fund</b>	326,139	237,820
<b>Pension Reserve</b>	(3,987,539)	(2,830,634)
<b>Designated Transition Fund – being a fund to cover the costs of organisation restructuring</b>	-	40,000
<b>Total Reserves</b>	(3,661,400)	(2,552,814)

**Covid 19 Pandemic**

The circumstances presented by the Covid 19 pandemic have created challenges for the Union in relation to its financial operating model. A key income stream for the organisation is the revenue generated through its subsidiary company Liverpool Student Media Limited. The company's sales slowed down significantly from March 2020 through to the financial year end and have not reached the level of previous years in the first quarter of the 2020/21 financial year.

The budget for the 2020/21 financial year was drafted on the basis that the subsidiary company would face an income generation challenge, and that other sources of external income would face similar disruption. The core grant from Liverpool John Moores University has been maintained at £1.04m for the 2020/21 financial year. The Union has looked to find appropriate reductions in activity overheads for the 2020/21 year in order to minimise the impact on reserves. The initial budget projection is that the Union will need to utilise a proportion of its unrestricted reserves to ensure the organisation can manage its way through the period where external income is reduced to a low level. Cash flow forecasts have been revised to look up to 12 months ahead in order for the trustees to accurately assess the organisation's ability to remain a going concern.

Hopefully some clarity will emerge as time progresses, but the trustees continue to review and update their financial forecasts as developments occur and the impacts on the charity become clearer.



**Trustees' Report (continued)**  
**For the Year Ended 31 July 2020**

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**Financial review (continued)**

**Fundraising statement**

The Union raises funds outside of the University block grant via a gift aid donation from its subsidiary company which sells third party advertising opportunities to commercial businesses. In addition, the Union raises funds through entertainment ticket sales and sponsorship of student led activities. The Union does not raise funds via the usual fundraising channels that other charities utilise. For example, funds are not raised via money collections, Just Giving (or similar) pages, lotteries, cold calling or legacy donations. Occasionally funds might be raised for a specific project via grant applications, such as funding from local community groups to facilitate activities.

No professional fund-raisers or commercial participator carried out any activities on behalf of the Union. No person acting on behalf of the Union was subject to an undertaking to be bound by any voluntary scheme for regulating fundraising and no voluntary standard of fund-raising in respect of Union activities on behalf of the charity was undertaken. No persons acted on behalf of the Union for the purpose of fundraising, and no complaints were received by the Union about fund-raising activity by the charity. As the Union does not undertake fund-raising activity outside of operating commercial outlets and grant applications, a strategy for protection of vulnerable people and members of the public in relation to fund-raising is not required.

**Trustees' Report (continued)**  
**For the Year Ended 31 July 2020**

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**Structure, governance and management**

**a. Governing Document**

Liverpool John Moores University Students' Union ("JMSU") is an unincorporated charity established under the Education Act 1994 and registered with the Charity Commission (No. 1142741) since June 2011, after students' unions connected with exempt higher/further education institutions were removed by section 11(9), Charities Act 2006, from the list of exempt charities in Schedule 2 to the Charities Act 1993. The charity's objectives and principal activities are:

- Representing, supporting and advising students at LJMU and promoting their interests and welfare;
- Being the recognised representative channel between students and LJMU, and any other external bodies;
- Providing social, cultural, sporting and recreational activities and forums for discussions and debate for students' personal development.

Our Constitution is our governing document and was last revised in July 2013. JMSU keeps its governing document and procedures under constant examination and received a positive external review of our governance arrangements, which the Board noted and acted upon over the spring of 2015.

**b. Methods of appointment or election of Trustees**

JMSU is governed by a Board of Trustees which meets 6 times within the year. The Board has three membership categories: category one is Sabbatical Officers, elected annually from within and by our membership in an open, secret ballot for a one-year term of office. The Sabbatical Officers are the major union office holders described in the Education Act (1994). Category two is three Student Trustees, students selected to a maximum term of two years. Category three is three external trustees, appointed by the Board from community stakeholders in an open recruitment process, for up to two three-year terms.

**c. Organisational structure and decision-making policies**

The Board of Trustees administers the charity. The Board meets quarterly and there are sub committees covering Finance, Audit & Risk, Governance, and Human Resources. The committees also meet on a quarterly basis. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms approved by the Trustees, for operations including finance, employment, external relations, public policy and public affairs and other related activity.

The remuneration of key management personnel is set by the Board, with the policy objective of ensuring that they are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the Union's success. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to comparisons with other Unions to ensure that the Union remains sensitive to the broader issues of pay and employment conditions elsewhere. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope to be rewarded for excellence. Delivery of the Union's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

**Trustees' Report (continued)**  
**For the Year Ended 31 July 2020**

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**Structure, governance and management (continued)**

**d. Policies adopted for the induction and training of Trustees**

New trustees undergo an induction session with the Chair and Chief Executive. They are briefed on the Constitution of JMSU, our strategic aims and objectives, our policies and procedures on issues such as delegation of authority, recruitment, reserves, conflicts of interest and also briefed on current and previous years' financial performance.

The trustees have delegated management of JMSU to the Chief Executive who reports on performance against the strategic aims and objectives. The Chief Executive also reports regularly on financial performance. A report on the management accounts, noting variances to budget, is received at each Board.

**e. Relationship with the University**

The relationship between the University and the Union is established in the Regulations of the University and detailed in a Memorandum of Understanding approved by both organisations. The Union receives a Block Grant from the University, and part-occupies a building owned by the University, which also pays for utilities and cleaning. This non-monetary support is intrinsic to the relationship between the University and the Union.

Although recommended by the Charities SORP, which has been adopted for this and future financial years for due compliance with the requirements for Students' Unions provided for in the Charities Act 2011, it is not possible to identify an estimated value to the Union for this free serviced accommodation as the University does not separate out the property costs of individual floors of its buildings. Although the Union continues to generate supplementary funding from various mutual trading activities and its subsidiary trading company, it will always be dependent on the University's support.

The trustees consider it reasonable to anticipate that this or equivalent support from the University will continue for the foreseeable future, as the Education Act 1994 imposes a duty on the University to ensure the financial viability of its student representative body in one form or another. The trustees therefore consider the Union to be financially viable for the foreseeable future.

**f. Related party relationships**

As at 31 July 2020 the Union held 100% shares in Liverpool Student Media Limited which was incorporated on 4 July 2018 in the United Kingdom. The company has been set up as a subsidiary of JMSU to house the non-primary purpose business activities of that charity. The business activities of the company are to sell advertising opportunities for third parties (businesses, brands, student service suppliers). These can take the form of (but not be limited to) web adverts, clickable links in emails, on-campus promotional stalls, leaflet drops, or electronic screen adverts. The company sells these opportunities primarily for JMSU to reach students at Liverpool John Moores University. However, the company also acts as a selling agent for other student organisations – currently Liverpool Hope Students' Union, University of Salford Students' Union, Edge Hill Students' Union and UCLAN Students' Union, and earns a commission from those organisations linked to advertising sales earned.

Trustees' Report (continued)  
For the Year Ended 31 July 2020

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Structure, governance and management (continued)

**g. Financial risk management**

The Board receives a report annually from the Chief Executive that reviews the Union's current and planned future activities in the light of any major risks arising from time to time and the effectiveness of systems and procedures designed to manage them. The principal risks and uncertainties currently facing the Union are considered to be:

- The possible reduction in funding by the University caused by
  - o Their own financial health.
  - o Their perception of the value of the role of the Union.
- The financial health of the University is itself dependent on student recruitment and retention, and its impact on tuition fee income, which in turn is susceptible to factors beyond the control of the Union, including
  - o Popularity of the Academic offering.
  - o Strategies to retain students.
- Student engagement with the strategy and activities of the Union.
- Reputational damage in the unlikely event of a high-profile activity by a student
- Reputational damage in the unlikely event of a high-profile activity by a trustee
- The Students Union Superannuation Scheme deficit position, and associated increases in Pension Protection Fund levies.
- Volatility and development of media sales income.

Our plans and strategies for managing risk include maintaining effective internal controls, risk registers, incident-reporting and monitoring systems and insurance cover wherever appropriate.

Towards the end of the year 2019/20 it was clear the global COVID-19 pandemic was to impact Higher Education Institutions significantly and as such both the financial and operational risks to the organisation were accounted for and reported to the board regularly.

**Trustees' Report (continued)**  
**For the Year Ended 31 July 2020**

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**Plans for future periods**

In September 2017, a new three-year organisational strategy was launched after rigorous stakeholder consultation and scrutiny from the trustee board to ensure its aims and ambitions are achievable; and the projects proposed in Year One (2017/18) and Year Two (2018/19) are realistic and resourced effectively. This strategy continued to guide the organisation in year three (2019/20) with a view to developing a new strategy coinciding with a move to the new Student Life Building in 2020/21.

**Strategy elements**

The strategy comprised six main elements:

1. **Vision:** Happy, confident students.
2. **Mission:** We support and empower all LJMU students, connecting them to each other and the world around them.
3. **Values:** Student-led, Inclusive, Independent, Proud.
4. **Strategic Priorities**

**Belong** – to a vibrant, inclusive, supportive community of LJMU students.

**Change** – how the educational experience most effectively represents everyone's interests.

**Succeed** – on their course and in future life, through sharing and upholding great academic practice.

5. **Operational Priorities**

**Relevance**

Ensuring that students see us as having a direct impact on their lives.

**Credibility**

Ensuring our interactions with senior colleagues at LJMU are evidence-led and add direct value to their thinking.

**Ownership**

Bringing all staff on the journey towards driving forward the organisational agenda over the next three years.

6. **Operational plans**

**Year 1: Renewal** – Addressing the fundamentals and “doing the right things right.”

**Year 2: Growth** – Building on success and “doing the right things, better.”

**Year 3: Indispensability** – Fulfilling our potential by “doing the right things, brilliantly”.

**Trustees' Report (continued)**  
**For the Year Ended 31 July 2020**

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**Plans for future periods (continued)**

Given the impact of COVID-19 and the move into the new Student Life Building, a transitional plan was developed to work through 2020 into 2021 based on the strategic plan but accounting for recent developments and student feedback:

**Strategic Priority**

**BELONG** - to a vibrant, inclusive, supportive community of LJMU students

**Goal (our broad primary purpose)**

We will create spaces and activities where students can come together to work collaboratively, building friendships and support networks

**Outcomes (expected results of what we do)**

Students have quality & memorable experiences that enhance their experience at LJMU  
Students feel connected to communities of students that are relevant to them  
Students feel empowered to develop and lead new events and initiatives themselves

**CHANGE** - how the educational experience most effectively represents everyone's interests

**Goal (our broad primary purpose)**

We will create opportunities for students to feed into the decision-making processes and enact change

**Outcomes (expected results of what we do)**

Students feel empowered to shape their learning experience & the wider world  
There is a strong proactive student voice  
Students are confident and skilled leaders

**SUCCEED** - on their course and in future life, through sharing and upholding great academic practice

**Goal (our broad primary purpose)**

We will continually develop mechanisms and structures that capture and amplify students' voices and develop student leadership

**Outcomes (expected results of what we do)**

Students know what their rights are as learners & feel confident in challenging and feeding back about their learning experience  
Students develop the skills and capabilities they need to fulfill their potential for advancement & employability  
Students are partners in their learning; student feedback/student voice continually shapes and improves teaching & learning at LJMU

**Priorities 2020/21 (the high level to do list)**

1. Mental Health & Wellbeing
2. Widening and Strengthening Engagement (EDI)
3. Protecting students' academic interests
4. Development and empowerment of Student Leaders
5. Implementation of new democratic structures

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**Liverpool John Moores University Students' Union**

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**Trustees' Report (continued)**  
**For the Year Ended 31 July 2020**

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Approved by order of the members of the board of Trustees and signed on their behalf by:



**L Tamea**  
President  
Date: 14 December 2020

**Statement of Trustees' responsibilities  
For the Year Ended 31 July 2020**

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The Trustees 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).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:



**L Tamea**  
President  
Date: 14 December 2020



**Independent Auditor's Report to the Trustees of Liverpool John Moores University Students' Union**

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**Opinion**

We have audited the financial statements of Liverpool John Moores University Students' Union (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charity's affairs as at 31 July 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**Independent Auditor's Report to the Trustees of Liverpool John Moores University Students' Union  
(continued)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent Charity has not kept sufficient accounting records; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

**Independent Auditor's Report to the Trustees of Liverpool John Moores University Students' Union  
(continued)**

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**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



**Dains LLP**

Statutory Auditor  
Chartered Accountants

Suite 2, Albion House

2 Etruria Office Village

Forge Lane

Stoke on Trent

Staffordshire

ST1 5RQ

Date: 14 December 2020

Dains LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

Liverpool John Moores University Students' Union

Consolidated Statement of financial activities  
For the Year Ended 31 July 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>					
Donations and legacies	3	1,038,500	13,345	1,051,845	1,155,847
Charitable activities	4	81,228	-	81,228	140,815
Other trading activities	5	176,019	-	176,019	191,485
Investments	6	-	-	-	12
<b>Total income</b>		<b>1,295,747</b>	<b>13,345</b>	<b>1,309,092</b>	<b>1,488,159</b>
<b>Expenditure on:</b>					
Raising funds	7	88,581	-	88,581	103,170
Charitable activities	8	993,894	-	993,894	1,172,427
Other expenditure	10	1,335,203	-	1,335,203	75,096
<b>Total expenditure</b>		<b>2,417,678</b>	<b>-</b>	<b>2,417,678</b>	<b>1,350,693</b>
<b>Net (expenditure)/income</b>		<b>(1,121,931)</b>	<b>13,345</b>	<b>(1,108,586)</b>	<b>137,466</b>
Transfers between funds	21	13,345	(13,345)	-	-
<b>Net movement in funds</b>		<b>(1,108,586)</b>	<b>-</b>	<b>(1,108,586)</b>	<b>137,466</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		(2,552,814)	-	(2,552,814)	(2,690,280)
Net movement in funds		(1,108,586)	-	(1,108,586)	137,466
<b>Total funds carried forward</b>	21	<b>(3,661,400)</b>	<b>-</b>	<b>(3,661,400)</b>	<b>(2,552,814)</b>

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

The notes on pages 24 to 44 form part of these financial statements.

# Liverpool John Moores University Students' Union

## Consolidated Balance Sheet As at 31 July 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	7,834	17,599
		<u>7,834</u>	<u>17,599</u>
<b>Current assets</b>			
Debtors	17	96,170	78,637
Cash at bank and in hand		418,093	371,622
		<u>514,263</u>	<u>450,259</u>
Creditors: amounts falling due within one year	18	(382,432)	(324,831)
<b>Net current assets</b>		<u>131,831</u>	<u>125,428</u>
<b>Total assets less current liabilities</b>		<u>139,665</u>	<u>143,027</u>
Creditors: amounts falling due after more than one year	19	(3,801,065)	(2,695,841)
<b>Total net assets</b>		<u>(3,661,400)</u>	<u>(2,552,814)</u>
<b>Charity funds</b>			
Restricted funds	21	-	-
Unrestricted funds			
Designated funds	21	-	40,000
Unrestricted funds excluding pension liability	21	326,139	237,820
Pension reserve	21	(3,987,539)	(2,830,634)
Total unrestricted funds	21	<u>(3,661,400)</u>	<u>(2,552,814)</u>
<b>Total funds</b>		<u>(3,661,400)</u>	<u>(2,552,814)</u>

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**Liverpool John Moores University Students' Union**

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**Consolidated Balance Sheet (continued)**  
**As at 31 July 2020**

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The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**L Tamea**  
President  
Date: 14 December 2020

The notes on pages 24 to 44 form part of these financial statements.

# Liverpool John Moores University Students' Union

## Charity Statement of financial position As at 31 July 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	14	7,834	17,599
Investments	15	2	2
		<u>7,836</u>	<u>17,601</u>
<b>Current assets</b>			
Debtors	17	215,218	226,440
Cash at bank and in hand		381,542	305,008
		<u>596,760</u>	<u>531,448</u>
Creditors: amounts falling due within one year	18	(464,931)	(406,022)
<b>Net current assets</b>		<u>131,829</u>	<u>125,426</u>
<b>Total assets less current liabilities</b>		<u>139,665</u>	<u>143,027</u>
Creditors: amounts falling due after more than one year	19	(3,801,065)	(2,695,841)
<b>Total net assets</b>		<u><u>(3,661,400)</u></u>	<u><u>(2,552,814)</u></u>
<b>Charity funds</b>			
Restricted funds	21	-	-
Unrestricted funds			
Designated funds	21	-	40,000
Unrestricted funds excluding pension liability	21	326,139	237,820
Pension reserve	21	(3,987,539)	(2,830,634)
Total unrestricted funds	21	<u>(3,661,400)</u>	<u>(2,552,814)</u>
<b>Total funds</b>		<u><u>(3,661,400)</u></u>	<u><u>(2,552,814)</u></u>

Charity Statement of financial position (continued)  
As at 31 July 2020

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The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



**L Tamea**  
President

Date: 14 December 2020

The notes on pages 24 to 44 form part of these financial statements.



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**Consolidated Statement of Cash Flows**  
**For the Year Ended 31 July 2020**

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	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	46,471	151,653
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	-	(15,723)
	<hr/>	<hr/>
<b>Net cash provided by/(used in) investing activities</b>	-	(15,723)
	<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>	46,471	135,930
Cash and cash equivalents at the beginning of the year	371,622	235,692
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<u>418,093</u>	<u>371,622</u>

The notes on pages 24 to 44 form part of these financial statements

Notes to the Financial Statements  
For the Year Ended 31 July 2020

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Liverpool John Moores University Students' Union meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

**1.2 Going concern**

The Union has net liabilities of £3,661,400, due to the recognition under Charities SORP (FRS 102) of the net present value of the funding deficit on the SUSS pension recovery plan. Further information is detailed in note 26 to the accounts. This is a long term commitment which ends in 2035 and the trustees are confident that annual payments towards this plan will be met out of income for each year.

After making appropriate enquiries, the trustees have a reasonable expectation that the Union has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Notes to the Financial Statements  
For the Year Ended 31 July 2020

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**1. Accounting policies (continued)**

**1.3 Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1.4 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.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

Notes to the Financial Statements  
For the Year Ended 31 July 2020

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**1. Accounting policies (continued)**

**1.6 Tangible fixed assets and depreciation**

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Fixtures and fittings	- 14% to 33.33% straight line per annum
Computer equipment	- 33.33% straight line per annum

**1.7 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

**1.8 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.

**1.9 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.

**1.10 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 Charity 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 in the Consolidated Statement of Financial Activities as a finance cost.

Notes to the Financial Statements  
For the Year Ended 31 July 2020

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**1. Accounting policies (continued)**

**1.11 Financial instruments**

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.12 Pensions**

Liverpool John Moores University Students' Union participates in the Students' Union Superannuation Scheme (SUSS), 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.

With effect from 30 September 2011 the SUSS Scheme has been closed to future accrual. Since that date only deficit contributions have been paid to the Scheme. As explained in note 26, the accounts include the net present value of the funding deficit as required by the Charities SORP (FRS102).

As a consequence of the SUSS scheme closing to future accrual The Union has set up a group personal pension scheme with Scottish Equitable PLC called the National Union of Students Pension Scheme (NUSPS) which is a money purchase scheme contracted into the State Second Pension. Since the Union staging date of 1 April 2014, all permanent members of staff who are eligible jobholders are automatically enrolled into the scheme after a postponement period of 3 months.

A National Employment Savings Trust (NEST) has been set up in order to auto enrol any other members of staff who become eligible jobholders.

**1.13 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 Group 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 Group 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.

Investment income, gains and losses are allocated to the appropriate fund.

**Notes to the Financial Statements  
For the Year Ended 31 July 2020**

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**2. Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Preparation of the financial statements required management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include assumptions around the financial assets and liabilities of pension scheme commitments, and the discount rate applied thereto.

**3. Income from donations and legacies**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
University block grant	1,038,000	-	1,038,000
Other voluntary income	500	-	500
Coronavirus job retention scheme	-	13,345	13,345
	<u>1,038,500</u>	<u>13,345</u>	<u>1,051,845</u>

	Unrestricted funds 2019 £	Total funds 2019 £
University block grant	1,038,000	1,038,000
Other voluntary income	117,847	117,847
	<u>1,155,847</u>	<u>1,155,847</u>

Notes to the Financial Statements  
For the Year Ended 31 July 2020

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Entertainments	41,575	41,575
NUS Extra, Clothing Commission	6,253	6,253
Student Group Memberships	33,400	33,400
	<u>81,228</u>	<u>81,228</u>
	Unrestricted funds 2019 £	Total funds 2019 £
Entertainments	48,792	48,792
NUS Extra, Clothing Commission	48,572	48,572
Student Group Memberships	43,451	43,451
	<u>140,815</u>	<u>140,815</u>
<b>Total 2019</b>		

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2020 £	Total funds 2020 £
Media sales	<u>176,019</u>	<u>176,019</u>
	Unrestricted funds 2019 £	Total funds 2019 £
Media sales	<u>191,485</u>	<u>191,485</u>

Notes to the Financial Statements  
For the Year Ended 31 July 2020

6. Investment income

	Total funds 2020 £
Interest received from Bank & Building Society Accounts	-

	Unrestricted funds 2019 £	Total funds 2019 £
Interest received from Bank & Building Society Accounts	12	12

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Total funds 2020 £
Cost of media income	17,920	17,920
Staff recruitment, training and social costs	399	399
Facility costs	104	104
Other & finance costs	100	100
Legal, professional & consultancy	1,167	1,167
Irrecoverable VAT	70	70
Governance costs	38	38
Travel, subsistence & conference costs	79	79
Wages and salaries	60,952	60,952
National insurance	5,685	5,685
Pension costs	1,957	1,957
Depreciation	110	110
	<u>88,581</u>	<u>88,581</u>



Notes to the Financial Statements  
For the Year Ended 31 July 2020

7. Expenditure on raising funds (continued)

Costs of raising voluntary income (continued)

	Unrestricted funds 2019 £	Total funds 2019 £
Costs of media income	42,379	42,379
Staff recruitment, training & social costs	1,185	1,185
Facility costs	376	376
Other & finance costs	577	577
Legal, professional & consultancy	2,726	2,726
Sundry costs	88	88
Irrecoverable VAT	279	279
Governance costs	207	207
Travel, subsistence & conference costs	199	199
Wages and salaries	48,485	48,485
National insurance	4,057	4,057
Pension costs	1,962	1,962
Depreciation	650	650
	<u>103,170</u>	<u>103,170</u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Total funds 2020 £
Entertainments	8,771	8,771
NUS Extra, Clothing Commission	1,990	1,990
Student Services Group Memberships	983,133	983,133
	<u>993,894</u>	<u>993,894</u>

Notes to the Financial Statements  
For the Year Ended 31 July 2020

8. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Unrestricted funds 2019 £	Total funds 2019 £
Entertainments	32,381	32,381
NUS Extra, Clothing Commission	43,324	43,324
Student Services Group Memberships	1,096,722	1,096,722
	<u>1,172,427</u>	<u>1,172,427</u>

Summary by expenditure type

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total funds 2020 £
Entertainments	1,571	86	7,114	8,771
NUS Extra, Clothing Commission	356	20	1,614	1,990
Student Group Memberships	600,713	9,549	372,871	983,133
	<u>602,640</u>	<u>9,655</u>	<u>381,599</u>	<u>993,894</u>

	Staff costs 2019 £	Depreciation 2019 £	Other costs 2019 £	Total funds 2019 £
Entertainments	4,643	468	27,270	32,381
NUS Extra, Clothing Commission	6,213	626	36,485	43,324
Student Group Memberships	668,846	15,873	412,003	1,096,722
	<u>679,702</u>	<u>16,967</u>	<u>475,758</u>	<u>1,172,427</u>

**Notes to the Financial Statements  
For the Year Ended 31 July 2020**

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**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>
Entertainments	5,584	3,187	8,771
NUS Extra, Clothing Commission	1,267	723	1,990
Student Group Memberships	627,079	356,054	983,133
	<u>633,930</u>	<u>359,964</u>	<u>993,894</u>

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>
Entertainments	23,213	9,168	32,381
NUS Extra, Clothing Commission	31,056	12,268	43,324
Student Group Memberships	785,652	311,070	1,096,722
	<u>839,921</u>	<u>332,506</u>	<u>1,172,427</u>

Notes to the Financial Statements  
For the Year Ended 31 July 2020

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	176,148	168,378
Depreciation	9,655	16,967
Staff recruitment, training & social costs	34,984	30,952
Facility costs	9,144	9,815
Office & finance costs	11,333	15,051
Legal, professional & consultancy	102,280	71,158
Sundry costs	3	2,295
Irrecoverable VAT	6,116	7,283
Governance costs	3,392	5,403
Travel, subsistence & conference costs	6,909	5,204
	<u>359,964</u>	<u>332,506</u>

10. Other expenditure

	Unrestricted funds 2020 £	Total funds 2020 £
Movement in pension liability	<u>1,335,203</u>	<u>1,335,203</u>

  

	Unrestricted funds 2019 £	Total funds 2019 £
Movement in pension liability	<u>75,096</u>	<u>75,096</u>

Notes to the Financial Statements  
For the Year Ended 31 July 2020

11. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	6,000	6,000

12. Staff costs

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Wages and salaries	604,499	659,817	545,397	617,341
Social security costs	46,713	48,764	41,141	44,926
Contribution to defined contribution pension schemes	20,022	25,625	18,111	23,887
	<u>671,234</u>	<u>734,206</u>	<u>604,649</u>	<u>686,154</u>

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

	Group 2020 No.	Group 2019 No.	Charity 2020 No.	Charity 2019 No.
Raising funds	2	-	2	-
Student services	27	33	27	33
Support services	9	14	8	13
	<u>38</u>	<u>47</u>	<u>37</u>	<u>46</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020 No.	Group 2019 No.
In the band £60,001 - £70,000	1	1

The key management personnel of the Charity comprise trustees and senior management. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the charity was £208,174 (2019: £197,537).

Notes to the Financial Statements  
For the Year Ended 31 July 2020

13. Trustees' remuneration and expenses

During the year ended 31 July 2020, trustees remuneration (including employers National Insurance and Pension contributions) totalled £81,926 (2019: £77,993). Each of the sabbatical officers received a salary of £18,595 per annum as authorised in the Articles of Association of the Liverpool John Moores Students' Union for the representation, campaigning and support work they undertake as distinct from their trustee responsibilities. This work includes voicing student opinion with the University and local community, defending and extending the rights of students through petitions, and discussions with local MP's.

During the year ended 31 July 2020, expenses totalling £920 were reimbursed or paid directly to 3 Trustees (2019 - £724 to 4 Trustees).

14. Tangible fixed assets

Group and Charity

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 August 2019	52,699	83,028	135,727
At 31 July 2020	52,699	83,028	135,727
<b>Depreciation</b>			
At 1 August 2019	44,972	73,156	118,128
Charge for the year	5,359	4,406	9,765
At 31 July 2020	50,331	77,562	127,893
<b>Net book value</b>			
At 31 July 2020	2,368	5,466	7,834
At 31 July 2019	7,727	9,872	17,599

Notes to the Financial Statements  
For the Year Ended 31 July 2020

15. Fixed asset investments

Charity	Other fixed asset investments £
<b>Cost or valuation</b>	
At 1 August 2019	2
At 31 July 2020	2
<b>Net book value</b>	
At 31 July 2020	2
At 31 July 2019	2

16. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Class of shares	Holding	Included in consolidation
Liverpool Student Media Limited	11448054	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Net assets £
Liverpool Student Media Limited	172,538	172,538	2

Notes to the Financial Statements  
For the Year Ended 31 July 2020

17. Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
<b>Due within one year</b>				
Trade debtors	42,594	37,345	110	12,896
Amounts owed by group undertakings	-	-	179,266	176,923
Other debtors	19,440	4,968	2,694	1,285
Prepayments and accrued income	34,136	36,324	33,148	35,336
	<u>96,170</u>	<u>78,637</u>	<u>215,218</u>	<u>226,440</u>

18. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade creditors	39,294	43,974	39,294	43,974
Amounts owed to group undertakings	-	-	94,689	88,884
Other taxation and social security	26,850	17,718	25,189	19,563
Pension liability	186,474	134,793	186,474	134,793
Other creditors	93,305	98,333	84,276	88,795
Accruals and deferred income	36,509	30,013	35,009	30,013
	<u>382,432</u>	<u>324,831</u>	<u>464,931</u>	<u>406,022</u>

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

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Pension liability	<u>3,801,065</u>	<u>2,695,841</u>	<u>3,801,065</u>	<u>2,695,841</u>



Notes to the Financial Statements  
For the Year Ended 31 July 2020

20. Financial instruments

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
<b>Financial assets</b>				
Financial assets measured at fair value through income and expenditure	418,093	371,622	381,542	305,008
Financial assets that are debt instruments measured at amortised cost	62,034	42,313	183,070	191,104
	<u>480,127</u>	<u>413,935</u>	<u>564,612</u>	<u>496,112</u>
	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
<b>Financial liabilities</b>				
Other financial liabilities measured at fair value through income and expenditure	(3,987,539)	(2,830,634)	(3,987,539)	(2,830,634)
Financial liabilities measured at amortised cost	(169,108)	(172,320)	(158,579)	(162,782)
	<u>(4,156,647)</u>	<u>(3,002,954)</u>	<u>(4,146,118)</u>	<u>(2,993,416)</u>

Financial assets measured at fair value through income and expenditure comprise short term investments and cash at bank and in hand.

Financial assets that are debt instruments at amortised cost comprise trade debtors, amounts owed by group company's and other debtors excluding prepaid costs.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

Other financial liabilities measured at fair value through income and expenditure comprise the pension deficit contribution liability.

Notes to the Financial Statements  
For the Year Ended 31 July 2020

21. Statement of funds

Statement of funds - current year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2020 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Union transition fund	40,000	-	(40,000)	-	-
<b>General funds</b>					
General Funds	237,820	1,295,747	(1,042,475)	(164,953)	326,139
Pension funds	(2,830,634)	-	(1,335,203)	178,298	(3,987,539)
	<u>(2,592,814)</u>	<u>1,295,747</u>	<u>(2,377,678)</u>	<u>13,345</u>	<u>(3,661,400)</u>
<b>Total Unrestricted funds</b>	<u>(2,552,814)</u>	<u>1,295,747</u>	<u>(2,417,678)</u>	<u>13,345</u>	<u>(3,661,400)</u>
<b>Restricted funds</b>					
Coronavirus job retention scheme	-	13,345	-	(13,345)	-
<b>Total of funds</b>	<u>(2,552,814)</u>	<u>1,309,092</u>	<u>(2,417,678)</u>	<u>-</u>	<u>(3,661,400)</u>

**Designated funds**

The designated funds are unrestricted funds that are created by the trustees to cover the costs of certain transition expenses.

**General funds**

This fund represents those resources which may be used towards meeting any of the charitable objectives.

**Pension fund**

The pension reserve is a fund to the equivalent value of the pension deficit disclosed in note 26.

**Restricted funds**

This fund represents income received in relation to the government's Coronavirus Job Retention Scheme.

Notes to the Financial Statements  
For the Year Ended 31 July 2020

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2019 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Union transition fund	-	-	-	40,000	40,000
<b>General funds</b>					
General Funds	235,068	1,488,159	(1,275,597)	(209,810)	237,820
Pension reserve	(2,925,348)	-	(75,096)	169,810	(2,830,634)
	<u>(2,690,280)</u>	<u>1,488,159</u>	<u>(1,350,693)</u>	<u>(40,000)</u>	<u>(2,592,814)</u>
<b>Total Unrestricted funds</b>	<u>(2,690,280)</u>	<u>1,488,159</u>	<u>(1,350,693)</u>	<u>-</u>	<u>(2,552,814)</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	7,834	7,834
Current assets	514,263	514,263
Creditors due within one year	(382,432)	(382,432)
Creditors due in more than one year	(3,801,065)	(3,801,065)
<b>Total</b>	<u>(3,661,400)</u>	<u>(3,661,400)</u>

Notes to the Financial Statements  
For the Year Ended 31 July 2020

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	17,599	17,599
Current assets	450,259	450,259
Creditors due within one year	(324,831)	(324,831)
Creditors due in more than one year	(2,695,841)	(2,695,841)
<b>Total</b>	<b>(2,552,814)</b>	<b>(2,552,814)</b>

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	Group 2019 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(1,108,586)	137,466
<b>Adjustments for:</b>		
Depreciation charges	9,765	17,617
Decrease/(increase) in debtors	(19,771)	11,229
Increase in creditors	8,158	80,055
Revaluation of SUSS pension liability	1,355,203	-
Payment of SUSS Pension liability	(198,298)	(94,714)
<b>Net cash provided by operating activities</b>	<b>46,471</b>	<b>151,653</b>

24. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	6,933	5,433
Current accounts	411,160	366,189
<b>Total cash and cash equivalents</b>	<b>418,093</b>	<b>371,622</b>

**Notes to the Financial Statements  
For the Year Ended 31 July 2020**

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**25. Analysis of changes in net debt**

	At 1 August 2019	Cash flows	At 31 July 2020
	£	£	£
Cash at bank and in hand	371,622	46,471	418,093
	<u>371,622</u>	<u>46,471</u>	<u>418,093</u>

**26. Pension commitments**

Liverpool John Moores University Students' Union participates in four pension schemes: the Students' Union Superannuation Scheme (SUSS), the National Union of Students Pension Scheme (NUSPS), National Employment Savings Trust (NEST) and Merseyside Pension Fund.

**SUSS**

Liverpool John Moores University Students' 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 £119,000,000 with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £141,000,000.

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 return on investment would be 4.0% per annum before and 2.0% per annum after retirement.
- Pensions accruing on the CARE basis would revalue at 3.6%.
- Present and future pensions would increase at rates specified by Scheme rules where appropriate where these are dependent on inflation.

The 2019 valuation recommended a monthly contribution requirement by each participating employer expressed in monetary terms to clear the ongoing funding deficit over a period of 15 years and will increase at 5% per year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the scheme. These rates applied from 1 October 2020 and will be formally reviewed following the completion of the next valuation due with an effective date of 30 June 2022. Surpluses and deficits which arise with future valuations will also impact on the Union's future contribution commitment. See Notes 18 and 19 for the liability recognised under the currently agreed deficit funding plan expiring September 2035. Liabilities are shown on a discounted present value basis. In addition to the above contributions, the Union pays its share of the scheme's levy to the Pension Protection Fund.

**Notes to the Financial Statements  
For the Year Ended 31 July 2020**

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**26. Pension commitments (continued)**

In accordance with FRS 102, the net present value of the future contributions required over 16 years to clear the funding deficit is £3,987,539 (2019 - £2,830,634). In calculating this net present value, annual increases of 5% have been made and a discount rate of 1.45% representing the typical yield of high quality corporate bonds has then been applied.

**NUSPS**

As a consequence of the SUSS scheme closing to future accrual on the 30 September 2011 the Union has made available to permanent staff (who were previously in SUSS scheme) the National Union of Students Pension Scheme (NUSPS) with Scottish Equitable PLC which is a defined contribution scheme. In 2018 the last member of NUSPS left the Union's employment, therefore contributions to that scheme have now ceased.

The total contributions paid into the scheme by the Union for the year to 31 July 2020 amounted to £nil (2019 - £nil).

**NEST**

As a consequence of auto enrolment the Union has set up a defined contribution scheme through National Employment Savings Trust. Eligible jobholders are automatically enrolled into the scheme after a postponement period of 3 months and can choose their level of contributions of 2% and over. The employer contribution is 6%.

The total contributions paid into the scheme by the Union for the year to 31 July 2020 amounted to £29,789 (2019 - £31,557).

**Merseyside Pension Fund**

The Union is a participating employer in the Merseyside Pension Fund. No current employees are members of the scheme, but there was previously an obligation to make contributions in respect of the actuarial shortfall of that scheme which amounted to £nil (2019 - £408).

**27. Related party transactions**

The Group has taken advantage of the exemption under Section 33 of FRS 102 from disclosing transactions with other members of the group.

The following have been identified as related party transactions per the requirements of FRS 102:

- Liverpool John Moores University: In the year the Union received total grants of £1,038,500 (2019: £1,155,847) from the Liverpool John Moores University, there was £2,076 (2019: £13,629) of purchase recharges and £8,976 (2019: £69,842) of sales recharges. The net year end debtor with the University, including funds on deposit was £nil (2019: £nil)
- Trustees of the Union: see note 13 – Trustees' remuneration and expenses.
- National Union of Students Services Ltd (NUSSL): The Union is an affiliated member of NUSSL who operate a purchasing consortium within the student union movement.

# Liverpool John Moores University Students' Union

## Charity Income and expenditure account For the Year Ended 31 July 2020

	2020 £	2020 £	2019 £	2019 £
<b>Income</b>				
Incoming resources	1,231,727		1,433,166	
		1,231,727		1,433,166
<b>Gross income in the reporting period</b>	<b>1,231,727</b>		<b>1,433,166</b>	
<b>Less:</b>				
Raising funds	11,216		48,177	
Charitable activities	993,894		1,172,427	
Pension liability	1,335,203		75,096	
		2,340,313		1,295,700
<b>Total expenditure</b>		<b>2,340,313</b>		<b>1,295,700</b>
<b>Net (expenditure)/income before taxation for the reporting period</b>		<b>(1,108,586)</b>		<b>137,466</b>
<b>Net (expenditure)/income for the reporting period</b>		<b>(1,108,586)</b>		<b>137,466</b>
<b>(Deficit)/Surplus for the reporting period</b>		<b>(1,108,586)</b>		<b>137,466</b>
<b>Deficit brought forward at 1 August 2019</b>		<b>(2,552,815)</b>		<b>(2,690,280)</b>
<b>Deficit carried forward at 31 July 2020</b>		<b>(3,661,401)</b>		<b>(2,552,814)</b>

The notes on pages 24 to 44 form part of these financial statements.