

Registered number: 07303101
Charity number: 1137811

UNIVERSITY OF LEICESTER STUDENTS' UNION
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

UNIVERSITY OF LEICESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2018

The Trustees (who are also director of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of University of Leicester Students' Union (ULSU) (the company) for the year ended 31 July 2018. The Trustees confirm that the Annual Report and financial statements of the company and the group comply with the current statutory requirements, the requirements of the company and the group's governing document and the provisions of the Statement of Recommended Practice, Charities SORP (FRS 102), "Accounting and Reporting by Charities" effective 1 January 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

The company and the group is constituted under a Memorandum of Association and is a registered charity number 1137811.

ULSU also has internal regulations or Rules approved by the Board of Trustees and regulated by the governing body of the University of Leicester (the University) in accordance with 1994 Education Act and the Charity Commission.

ULSU's charitable objects are:

The advancement of education of Students at the University for the public benefit by:

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

b. Method of appointment or election of trustees

ULSU is administered by its Board of Trustees of up to five students elected annually by cross campus secret ballot of the ULSU membership (and are full time, or 'sabbatical', posts remunerated as authorised by the Education Acts and cannot exceed two years duration for each holder); up to five external trustees appointed for up to four years by an appointments panel, and a student that is appointed by the appointments panel, and has no employment in any capacity with the Union.

c. Policies adopted for the induction and training of trustees

All the charity trustees receive an induction into their legal and administrative responsibilities, with an on-going training programme as and when needed for issues arising during their term of office.

d. Organisational structure and decision making

The Board of Trustees, assisted by sub-committees where appropriate, has delegated the day to day running of ULSU to the Chief Executive. The Board of Trustees meets at least four times a year to receive reports from individual Officers, sub-committees and the Chief Executive, to review the charity's performance and administration generally and to decide policy issues arising. A Board sub-committee, the Strategic Leadership Team, made up of the Unions Managers, meets monthly to oversee the Unions regular activities. ULSU also employs a number of non-student full time staff for the sake of continuity in the management of its any activities. These staff members are accountable to the Chief Executive for the performance of their duties.

UNIVERSITY OF LEICESTER STUDENTS' UNION
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 JULY 2018

Trustees

K Julian, External Trustee (resigned 30 June 2018)
H J Hunt, External Trustee
H Sachdev, External Trustee (resigned 30 June 2018)
S Knowles, External Trustee
J Carruthers, Student Trustee (appointed 1 July 2018)
A Abdulla, Education Officer
K Adamu, Sports Officer
M Henstock, Wellbeing Officer (resigned 30 June 2018)
C Young, Activities Officer (resigned 30 June 2018)
A Moran, President
A Bacon (appointed 1 July 2018)
S Harris (appointed 1 July 2018)
D Moore (appointed 1 July 2018)
I Woolrych (appointed 1 July 2018)
O Obioha (appointed 1 July 2018)

Company registered number

07303101

Charity registered number

1137811

Company secretary

S Anderson (resigned 25 January 2018)
G Oughton (appointed 25 January 2018)

Chief executive officer

G Oughton, Chief Executive Officer

Registered office

University of Leicester Students' Union, Percy Gee Building, University Road, Leicester,
Leicestershire, LE1 7RH

Independent auditor

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

Bankers

National Westminster Bank Plc, Granby Street, Leicester, LE1 9GT

STRUCTURE, GOVERNANCE AND MANAGEMENT (*continued*)

e. Pay policy for senior staff

The Trustee board will review pay across the organisation on an annual basis. The factors to be taken into consideration include individual performance, the prevailing rate of inflation and the Union's financial position as of 1 August. Staff must have worked a full financial year (1 August – 31 July) in order to have qualifying length of service. Salary increases are at the discretion of the Union and are not a guaranteed outcome of the annual review process. Senior staff will receive the same annual pay increase as all other staff.

f. Relationship with University of Leicester

The relationship between the University and ULSU is established in the Regulations of the University and detailed in ULSU Rules approved by both organisations. ULSU receives a Block Grant from the University, and leases most of the Percy Gee Building owned by the University, which also pays for utilities. This non monetary support is intrinsic to the relationship between the University and ULSU. An estimated value to ULSU for this free serviced accommodation has been included in the accounts, valued at £180,129. The Student Union has entered into a 50/50 partnership with the university and all commercial trading outlets have been transferred into it along with all of the university commercial outlets.

The ULSU continues to generate supplementary funding from some small trading activities such as Fresher's Graduation and NUS card sales, all other trading income is now included within the Leicester Services Partnership with the university, at present the Student Union have a 5 year guaranteed income agreement in the form of a Commercial Grant, as compensation for loss of trading income. This will be reviewed at the end of this agreement.

There is no reason to believe that this or equivalent support from the University will not 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.

g. Risk management

The Board of Trustees continually examine the major strategic, business and operational risks faced by ULSU and confirms that systems are in place to manage those risks, including annual reviews by the Board.

There are a number of significant risks affecting the Union. These include changing student preferences, the impact of Higher Education Policy on the University and the Union and changes in the broader economic and political climate.

The Trustees consider a significant source of financial risk to be that of the funding requirements of the Students' Union Superannuation Scheme. In order to mitigate this risk, the current and foreseeable service cost is monitored and periodic actuarial valuations are reviewed to assess the impact of external factors on the scheme liability.

OBJECTIVE AND ACTIVITIES

a. Policies and objectives

The Board of Trustees has focused its current activities on developing an exceptional student experience, in line with its constitutional objectives. The Union's current vision is "By 2021, we will be an active and inclusive Union with a powerful student-led voice; delivering meaningful change for you across your Leicester experience.

In pursuit of these objectives, ULSU has established departments and services for use by its members and to support its work with the University and other organisations on behalf of students.

These include a Student Voice team, to facilitate representative and campaigning functions, a Support team to deliver advice and mentoring services and an Opportunities team to deliver exceptional experiences for students in sport, society activities, volunteering and fundraising. Officer Trustees of ULSU sit on key University Committees and meet with local decision makers regarding local matters affecting students.

ULSU's commitment to its members is to place them at the heart of change and decision making within the organisation, listening to ideas and driving improvement to our services. This year, the organisation undertook the largest listening campaign with our students in a number of years, with the results prioritising in-year investment in departments and guiding the development of a new three-year strategy to guide our work in the years ahead.

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

ACHIEVEMENTS AND PERFORMANCE

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company 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. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Review of activities

The Union operates around three key strategic areas of activity:

- Voice
- Opportunities
- Support

These three priorities are underpinned by three supporting enablers:

- Communication
- Spaces
- Partnerships

TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 JULY 2018

ACHIEVEMENTS AND PERFORMANCE (continued)

Student Voice

Much of the ULSU's main focus is centred on representation and campaigns to improve the educational experience at the University. This is conducted via a large number of elected representatives who are supported by our staff team. The representative function is headed by the five Student Officer Trustees that are employed full-time to carry out their functions. The specific portfolios of these are officer trustees is as follows:

- President
- Education Officer
- Activities Officer
- Wellbeing Officer
- Sports Officer

Successes from 2017/18 include:

- Highlighting students' concerns on the 'hidden' costs and securing in-year concessions on printing for members, alongside a long-term University commitment through a Student Costs Work Group.
- Highlighting and lobbying for action in tackling the academic attainment gap for BAME students
- Launching Union on Tour activities to take the organisation out of our main building, directly to students.
- Engaging in a widescale strategic consultation exercise to ensure the Union's future direction is reflective of the aspirations of our members
- Successfully lobbied for the protection of an affordable range of University Halls, in conjunction with a significantly cheaper bus service between campus and the Oadby Student Village.

Strategic objectives for the year ahead:

- Relaunch the voice system to ensure student academic needs are heard; ensuring reps' briefing and training is significantly improved.
- Redeveloping student change systems; ensuring that decision making times are halved and impactful action is made swiftly
- Conduct a year-round listening campaign with students, with the aim of speaking to 10,000 members about what they love and what they want to change about their University life

Student Support

2017/18 was very busy for the Union's support services. The biggest area of in-year growth was an increase in housing casework, alongside ever more complex academic appeal cases. The University staff strike in the second term of the year also saw casework rise significantly.

The relative lack of resources and the increasing demand for the service, together with a need and desire to extend its reach to those students in most need lead to a re-evaluation of the model of service delivery. This has involved developing a peer-to-peer process for students requiring advice and support.

Successes from 2017/18 include:

- Launching the *How to Adult* scheme, to give students practical tools in their day-to-day lives
- Redeveloping the *Leicester Talks* service, broadening its digital focus and expanding its reach into academic departments
- Introducing an accommodation advice service within the Union and revamping the student rental campaign campaign
- 91% increase in Peer Mentoring engagement compared to the previous year
- Revamping the *Destress* project, to help manage student wellbeing during the exam period

ACHIEVEMENTS AND PERFORMANCE (continued)

Strategic objectives for the year ahead:

- Relaunch an extended Advice service that incorporates proactive and reactive guidance for students, alongside externally facilitated clinics
- Publish a cost of study project to highlight the extent of hidden financial barriers facing students
- Develop a transition to University programme, to support students' progress between years of study and new students upon arrival in the future

Student Opportunities

The Union endeavours to enhance the overall experience of being a student in Leicester. This includes the provision of over 250 student groups and over 30 sports clubs – both competitive and recreational. The work of these student groups is underpinned by operational support from staff, empowerment from our training team and significant financial grants to help deliver their day-to-day activity.

2017/18 saw the Union re-establish its community volunteering and fundraising work, investing in a new staff post to expand this growing area of interest for student leaders.

Successes from 2017/18 include:

- Launching the first student group celebration, to recognise the achievements of student-led activity on campus
- Running the largest Varsity promotion campaign in recent history, culminating in the successful defence of the trophy
- Re-establishing a successful volunteering program for Leicester students by lobbying for a coherent offer from all partners.
- Re-establishing RAG as a student development opportunity and ensuring that charitable giving at Leicester is properly supported for the future
- Developing the club showcase brand, to highlight student-led sporting excellence at Leicester

Strategic objectives for the year ahead:

- Launch a training and development program for liberation members, to encourage a diversification of student leaders
- Launch our first leaders' conference, to bring people together from the full range of Union opportunities and encourage greater collaboration
- Undertake a lean review of all leader-facing systems to simplify engagement with the Union and improve end of year satisfaction

Supporting Enablers

All of the Union's work in our core strategic areas is underpinned by the relevance of our student-facing communication, the quality of our spaces and the strength of our partnerships with key stakeholders.

Successes from 2017/18 include:

- Extending our Marketing & Communications team, to increase capacity and ensure greater support is offered to departments and elected Student Trustee projects
- Ensuring student groups impacted by the Percy Gee building project have their space requirements as effectively matched as possible by the University
- Securing the launch of the Here for Value range of food and drink products, in response to member concerns about affordability of student living
- Developing a partnership with Leicester Citizens, to create a platform for student voices on the city they live in to join with those from other schools, charities, Unions and faith-based organisations.

ACHIEVEMENTS AND PERFORMANCE (continued)

Supporting Enablers (continued)

- Initiated work with De Montfort Students' Union, Sulets and Leicester City Council to explore landlord accreditation

Strategic objectives for the year ahead:

- Relaunch the Union's brand, to refresh our visual and digital presence
- Mitigate the impact of the Percy Gee works and build presence at other campus locations
- Lobby for an extended range of food, drink and event prices on campus

FINANCIAL REVIEW

ULSU's gross income from all sources this year totalled £2,690,325 (2017: £4,983,416). Total expenditure was £2,273,347 (2017: £5,257,395) resulting in a surplus for the year of £416,978 (2017: £273,979 deficit), increasing ULSU's total reserves to £437,089 (2017: £89,185) before the introduction of the share of the joint venture's results. The Union has continued to benefit from the recognition and support of the University, and this year the annual block grant went up to £908,522 (2017: £877,111). In addition to this the Union received other grants from the University of £643,791 (2017: £485,790).

The Union's trading subsidiary generated a trading surplus of £73,017 (2017: £319,899) which is covenanted to the Union.

The University of Leicester Students' Union Trading Ltd holds a 50% share in Student Union Lettings Limited. The company is registered as a charitable company limited by guarantee. 50% of the net income and assets of the company have been included in these financial statements.

a. Reserves policy

General funds:

The Union aims to hold 6 months wages in free reserves (£423,425), in addition to £25,000 operating costs in the current year. This would enable an orderly winding down of the organisation in the event it was necessary.

Designated funds:

The Board of Trustees have agreed to hold £275,000 to safeguard the organisation in the event that the commercial grant was withdrawn at the end of the initial five year period.

In light of the pension scheme being revalued in 2019 and ongoing claims, the Board of Trustees are also holding £250,000 to assist the organisation in meeting the anticipated increases from 2019/20 onwards.

All remaining free reserves are held as a designated fund for capital and strategic projects to transform the student experience.

PLANS FOR THE FUTURE

The Board of Trustees confirms that ULSU has sufficient funds to meet all its obligations. The Block Grant for 2018/19 has been confirmed at £1,012,103. In addition, the Union will receive an additional maintenance grant of £213,419. We will also receive a commercial grant of £275,000 for the next 4 years to reflect lost trading after entering into the Leicester Services Partnership with the University.

TRUSTEES' REPORT (Continued)
FOR THE YEAR ENDED 31 JULY 2018

AUDITOR

RSM UK Audit LLP, were appointed as auditor to the company during the year and has indicated its willingness to continue in office. In accordance with the Companies Act 2006 a resolution proposing the reappointment of RSM Audit LLP as Auditor will be put to the members.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of ULSU 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 year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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, including the income and expenditure, of the charitable 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continued in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose the reasonable accuracy at any time the financial position of the charitable group 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.

STATEMENT OF DISCLOSURE TO AUDITOR

So far as each Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware. Additionally, each Trustee has taken all the necessary steps that they ought to have taken as a Trustee in order to make themselves aware of all relevant audit information needed and to establish that the charitable group's auditor is aware of that information.

This report was approved by the Board of Trustees on 11 April 19 and signed on their behalf by:



A Moran
President

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
UNIVERSITY OF LEICESTER STUDENTS' UNION**

Opinion

We have audited the financial statements of University of Leicester Students' Union (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2018 which comprise the group statement of financial activities incorporating income and expenditure account, the group and company balance sheet, the group 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2018 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 Companies Act 2006 and Charities Act 2011.

Basis of opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 to 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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
UNIVERSITY OF LEICESTER STUDENTS' UNION (Continued)**

Opinion on other matters prescribed by the Companies Act 2006.

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

- the information given in the Trustees' Report, which includes the Directors' Report and Strategic Report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion.

- Adequate and sufficient 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 Trustees' remuneration specified by law not made; 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 set out on page 8, 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.

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. The description forms part of our Auditor's report.

UNIVERSITY OF LEICESTER STUDENTS' UNION
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
UNIVERSITY OF LEICESTER STUDENTS' UNION (Continued)**

Use of our report

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

RSM UK Audit LLP

Gareth Jones (Senior statutory auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Rivermead House
7 Lewis Court
Grove Park
Enderby
Leicester
LE19 1SD

Date: 19/4/19

UNIVERSITY OF LEICESTER STUDENTS' UNION
(A company limited by guarantee)

GROUP STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Continuing operations 2017 £	Discontinued operations 2017 £	Total funds 2017 £
INCOME FROM:							
Donations and legacies	2	1,732,442	118,530	1,850,972	1,808,847	-	1,808,847
Charitable activities		58,848	489,570	548,418	599,569	-	599,569
Other trading activities	3	201,638	-	201,638	264,407	2,231,868	2,496,275
Investments:	4						
Share of joint venture net income		68,974	-	68,974	60,681	-	60,681
Interest received		4,073	-	4,073	5,680	-	5,680
Other income		16,250	-	16,250	12,364	-	12,364
TOTAL INCOME		2,082,225	608,100	2,690,325	2,751,548	2,231,868	4,983,416
EXPENDITURE ON:							
Raising funds		128,621	-	128,621	250,653	2,046,948	2,297,601
Charities activities		1,507,841	636,885	2,144,726	2,959,794	-	2,959,794
TOTAL EXPENDITURE	5	1,636,462	636,885	2,273,347	3,210,447	2,046,948	5,257,395
NET INCOME/(EXPENDITURE)		445,763	(28,785)	416,978	(458,899)	184,920	(273,979)
Transfers between funds		(4,134)	4,134	-	-	-	-
Other recognised losses		(100)	-	(100)	-	-	-
NET MOVEMENT IN FUNDS		441,529	(24,651)	416,878	(458,899)	184,920	(273,979)
RECONCILIATION OF FUNDS:							
Total funds brought forward		203,871	275,141	479,012	610,562	142,429	752,991
TOTAL FUNDS CARRIED FORWARD		645,400	250,490	895,890	151,663	327,349	479,012

The year ending 31 July 2018 are all continued operations.

UNIVERSITY OF LEICESTER STUDENTS' UNION
(A company limited by guarantee)

GROUP BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2018

Company number 07303101

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	10		85,866		126,844
Investments in joint ventures					
- Share of gross assets		499,256		441,397	
- Share of gross liabilities		(40,455)		(51,570)	
Share of net assets	11		458,801		389,827
Investments in associates			-		-
			<u>544,667</u>		<u>516,671</u>
CURRENT ASSETS					
Stocks	13	2,378		8,117	
Debtors	14	150,898		145,758	
Cash at bank and in hand		1,986,507		1,758,146	
			<u>2,139,783</u>	<u>1,912,021</u>	
CREDITORS: amounts falling due within one year	15	(316,148)		(183,367)	
NET CURRENT ASSETS			<u>1,823,635</u>		<u>1,728,654</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,368,302</u>		<u>2,245,325</u>
Defined pension scheme liability	20		(1,472,412)		(1,766,313)
NET ASSETS			<u>895,890</u>		<u>479,012</u>
THE FUNDS OF THE CHARITY					
Restricted funds	17		250,490		275,141
Unrestricted funds	17				
General funds			907,126		1,970,184
Designated funds			1,210,686		-
Pension reserve			(1,472,412)		(1,766,313)
			<u>645,400</u>		<u>203,871</u>
TOTAL CHARITY FUNDS			<u>895,890</u>		<u>479,012</u>

The financial statements on pages 12 to 36 were approved and authorised for issue by the Board of Trustees on 11 April 19 and signed on their behalf, by:


A Moran
President

UNIVERSITY OF LEICESTER STUDENTS' UNION
(A company limited by guarantee)

COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2018

Company number 07303101

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	10		85,866		126,844
Investments	11		2		2
Investments in associates	11		100		50
			<u>85,968</u>		<u>126,896</u>
CURRENT ASSETS					
Stocks	13	-		8,117	
Debtors	14	131,175		405,986	
Cash at bank		1,985,101		1,758,146	
		<u>2,116,276</u>		<u>2,172,249</u>	
CREDITORS: amounts falling due within one year	15	(292,643)		(443,647)	
NET CURRENT ASSETS			<u>1,823,633</u>		<u>1,728,602</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,909,601</u>		<u>1,855,498</u>
Defined pension scheme liability	20		(1,472,412)		(1,766,313)
NET ASSETS			<u>437,189</u>		<u>89,185</u>
THE FUNDS OF THE CHARITY					
Restricted funds	17		250,490		275,141
Unrestricted funds	17				
General funds			448,425		1,580,357
Designated funds			1,210,686		-
Pension reserve			(1,472,412)		(1,766,313)
			<u>186,699</u>		<u>(185,956)</u>
TOTAL CHARITY FUNDS			<u>437,189</u>		<u>89,185</u>

As permitted by S408 Companies Act 2006, the charitable company has not presented its own statement of financial activities and related notes as it prepared group accounts. The charitable company's surplus for the year within the accounts of the company was £348,004 (2017: £334,660 deficit).

The financial statements on pages 12 to 36 approved and authorised for issue by the Board of Trustees on 11 April 19 and signed on their behalf, by:



A Moran
President

UNIVERSITY OF LEICESTER STUDENTS' UNION
(A company limited by guarantee)

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	254,647	511,836
Cash flows from investing activities:			
Interest received		4,073	5,680
Purchase of tangible fixed assets		(30,259)	(51,886)
Purchase of investments		(100)	-
Net cash used in investing activities		(26,286)	(46,206)
Change in cash and cash equivalents in the year		228,361	465,630
Cash and cash equivalents brought forward		1,758,146	1,292,516
Cash and cash equivalents carried forward		1,986,507	1,758,146

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

1. ACCOUNTING POLICIES

Charity information

University of Leicester Students' Union is a private incorporated charitable company (company number 07303101) limited by guarantee, registered in England and Wales. Its registered office and principal place of business is Percy Gee Building, University Road, Leicester, Leicestershire, LE1 7RH. The charitable company is also registered at the Charity Commission with a registered charity number of 1137811.

The main aims of the University of Leicester Student Union are the advancement of the students at the university for the public benefit.

Basis of preparation of financial statements

Accounting convention

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 (FRS 102) (Charities SORP (FRS102)) (effective 1 January 2015) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the requirement of Company's Act 2016.

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

University of Leicester 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.

In accordance with FRS 102, the charitable company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures for the charitable company.
- Section 33 'Related Party Disclosures' – Compensation for Key Management personnel.

The financial statements of the charitable company are consolidated in these financial statements of University of Leicester Students' Union and these financial statements are available from the registered office.

Basis of consolidation

The Statement of financial activities (SOFA) and Balance Sheet consolidate the financial statements of the charitable company and its subsidiary undertaking. The results are consolidated on a line by line basis, all intra-group transactions and balances with the subsidiary are eliminated on consolidation. Joint ventures and associates are stated at the group's share of net assets, to the extent this is not impaired, and the group's share of the net share of the profits or losses of the joint ventures and associates is included in the Statement of Financial Activities using the equity accounting basis. All the financial statements are made up to 31 July 2018.

No separate SOFA has been presented for the charitable company alone as permitted by section 408 of the Companies Act 2006 as it prepares group accounts and the charitable company's individual balance sheet shows the charitable company net movement in funds in the financial year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

1. ACCOUNTING POLICIES (continued)

Going concern

The charity has cash resources and has no requirement for external funding. The trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting in preparing the annual financial statements.

Company status

The charitable company is limited by guarantee. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

Funding accounting

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

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

Income

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

Donated services or facilities are recognised when the charitable company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charitable company which is the amount the charitable company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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.

Interest receivable

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

Grants

The recurrent block grant is receivable from the University of Leicester, the charitable company's parent Governing Body. The grant is credited to the income and expenditure account in the year to which it relates.

Project support grants are project based and include grants which are receivable from the University and other funding bodies.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

1. ACCOUNTING POLICIES (continued)

Expenditure (continued)

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 (including governance 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 assets use.

Tangible fixed assets and depreciation

Tangible fixed assets are initially recorded at cost and subsequently measured at cost, net of depreciation and any provision for impairment. Tangible fixed assets costing more than £500 are capitalised and all other expenditure is charged to the statement of financial activities in the year incurred.

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

Fixtures and equipment	-	20% - 50% of cost
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Investments

The charitable company's fixed asset investments are valued at cost which is the Trustees' best estimate of fair value, as these assets are not readily saleable and a reliable market value is not readily ascertainable.

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Associated undertakings**
Investments in associates are valued at cost less provision for impairment.

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the charitable company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses are recognised in statement of financial activities.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in statement of financial activities. On reversal of an impairment loss, the depreciation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct material.

At each reporting date, the charitable company assesses whether stocks are impaired or if any impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in statement of financial activities.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

1. ACCOUNTING POLICIES (continued)

Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments and are not considered to be of a financial nature. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Trade and other debtors and amounts owed by group undertakings and associates which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade and other debtors and amounts owed by group undertakings and associates are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Cash and cash equivalents

Cash and cash equivalents includes cash and monies on short-term deposits at the bank and other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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 charitable company 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.

Pensions

The Union participates in the Students' Union Superannuation Scheme, which is a defined benefit pension 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 Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. However, the Union has entered into an arrangement to clear the scheme deficit over a 20 year period. The Net Present Value of the Union's contributions as part of this plan are reflected as a liability on the balance sheet, which will reduce as they are paid.

The charitable company also contributes to the NUS Aegon Pension Scheme and the government approved NEST scheme. The annual contributions payable are charged to the statement of financial activities.

Taxation

No provision for corporation tax has been made as the charitable company is exempt from corporation tax on its income and gains to the extent that these are applied to its charitable activities. The non-charitable subsidiaries will be subject to Corporation Tax on any profits not gift aided to the charitable parent.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

1. ACCOUNTING POLICIES (continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Critical accounting estimates and areas and judgement

The charity makes estimates and assumptions concerning the future and acknowledges that the resulting accounting estimates and assumptions will, by definition, seldom equal to 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:

- (i) Pension deficit contribution
The charity has entered into a commitment to provide deficit funding to the Students' Union Superannuation Pension Scheme, of which it is a contributing employer.

Under FRS 102, the fair value of the commitment is recognised. The calculation of the fair value of the commitment is subject to an assumption of the discount rate. This discount rate is determined by reference to market yields at the reporting date on high quality corporate bonds.
- (ii) Donation of facilities by University of Leicester
In accordance with the Charities SORP FRS 102, the Union and its trading subsidiary has valued the benefit it receives from occupying facilities owned by the University on a rent-free basis, at the trustees' estimate of market value at £180,129.
- (iii) Support costs
Many of the costs incurred by the Union such as support staff costs and service costs are shared between activities. The Union's policy is to allocate these costs on the basis of assessed consumption.

2. INCOME FROM DONATIONS AND GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations and University Grants	1,552,313	-	1,552,313	1,362,901
Grant of serviced accommodation	180,129	-	180,129	269,991
Widening participation fund restricted income	-	28,500	28,500	36,500
Peer mentoring funds restricted income	-	48,000	48,000	48,000
Sports grant	-	34,794	34,794	91,455
Grant for intern	-	4,608	4,608	-
RFU development restricted income	-	2,628	2,628	-
Total donations and grants	1,732,442	118,530	1,850,972	1,808,847

UNIVERSITY OF LEICESTER STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

3. SUBSIDIARY TRADING COMPANY

The ULSU owns 100% of the issued share capital of its subsidiary, University of Leicester Students Union Trading Ltd, a company which is incorporated in England and Wales (company number 02821506). The registered office of University of Leicester Students' Union Trading Ltd is the same as ULSU. The subsidiary participates in trading activities relating to the charitable company. Its taxable profits are donated to the charitable company. A summary of the subsidiary's results which are consolidated in these financial statements is shown below:

Statement of income	2018	2017
	£	£
Turnover	201,638	2,480,275
Cost of sales	(54,648)	(849,232)
Gross profit	146,990	1,631,043
Administrative expenses	(73,973)	(1,311,144)
Net profit	73,017	319,899
Gift aid donation	(73,017)	(319,899)
Retained in subsidiary	-	-

The net assets of University of Leicester Students' Union Trading Ltd at 31 July 2018 amounts to £2 (2017: £2), being current assets of £59,854 (2017: £356,025) less creditors within one year of £59,852 (2017: £356,023).

Included within the expenditure in the consolidated Statement of Financial Activities is notional rent of £nil (2017: £137,225).

4. INCOME FROM INVESTMENTS

	Unrestricted funds	Total funds	Total funds
	2018	2018	2017
	£	£	£
Share of joint venture net income	68,974	68,974	60,681
Bank interest received	4,073	4,073	5,680
	73,047	73,047	66,361

UNIVERSITY OF LEICESTER STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

5. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff Costs 2018 £	Depreciation 2018 £	Other Costs 2018 £	Total 2018 £	Total 2017 £
ULSU Trading Limited	73,567	-	55,054	128,621	2,297,601
Costs of generating funds	73,567	-	55,054	128,621	2,297,601
Education & representation	415,621	17,926	209,964	643,511	522,199
Welfare	11,076	10,951	102,865	124,892	1,155,041
Campaigns and Communications	47,267	14,439	114,241	175,947	91,037
Shops	-	-	-	-	86,627
Societies & clubs	189,251	26,436	802,671	1,018,358	906,362
Sports grant	-	-	34,794	34,794	91,455
Widening participation	20,466	-	24,536	45,002	28,001
Peer mentoring	39,715	-	15,519	55,234	40,422
Training	43,081	-	3,907	46,988	38,650
Charitable activities	766,477	69,752	1,308,497	2,144,726	2,959,794
	840,044	69,752	1,363,551	2,273,347	5,257,395

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

6. ANALYSIS OF EXPENDITURE BY ACTIVITIES

Certain central overhead support costs have been reallocated to the various activities as noted in the accounting policies. The effect of this reallocation on the various expenditure heading is shown here:

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Education and representation	444,835	198,676	643,511	522,199
Welfare	8,462	116,430	124,892	1,155,041
Campaigns and communications	-	175,947	175,947	91,037
Shops	-	-	-	86,627
Societies and clubs	578,569	439,789	1,018,358	906,362
Sports grant	34,794	-	34,794	91,455
Widening participation	45,002	-	45,002	28,001
Peer mentoring	55,234	-	55,234	40,422
Training	46,988	-	46,988	38,650
Total 2018	1,213,884	930,842	2,144,726	2,959,794

Support costs comprised:-

	2018 £	2017 £
Staff costs	294,269	211,423
Depreciation	69,752	77,617
Rent	180,129	269,991
Less notional rent re ULSU Trading Ltd	-	(137,225)
Insurances	22,021	41,921
NUS Subscription	35,564	43,048
Bad debts	7,617	-
Pension Scheme Funding	(8,280)	1,055,859
Marketing costs	31,997	22,599
Stationery and telephone	26,395	12,615
General building repairs and cleaning	174,178	136,159
Bank and interest charges	3,719	19,889
Other sundry expenses	91,996	107,903
Loss on disposal of fixed assets	1,485	-
Total	930,842	1,861,799

UNIVERSITY OF LEICESTER STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

7. NET INCOME/(EXPENDITURE)

This is stated after charging	2018	2017
	£	£
Amortisation – intangible fixed assets	-	1,500
Depreciation of tangible fixed assets:		
- owned by the charitable group	69,752	144,623

Fees payable to RSM UK Audit LLP (2017: Crowe Clerk Whitehill LLP) and its associates in respect of both audit and non-audit services as are follows:

	2018	2017
	£	£
Audit services – statutory audit of charitable company and consolidated accounts	11,000	16,175
Other services:		
Audit services – statutory audit of associates of the charitable company	1,750	-
Taxation compliance service	1,000	-
All other non-audit services	3,950	-
	<u>17,700</u>	<u>16,175</u>

8. STAFF COSTS

Staff costs were as follows:	2018	2017
	£	£
Wages and salaries	754,256	1,327,319
Social security costs	53,120	74,376
Other pension costs	32,668	32,358
	<u>840,044</u>	<u>1,434,053</u>

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

	2018	2017
	No.	No.
Full time	27	34
Students – term time only	51	138
	<u>78</u>	<u>172</u>

No employees received remuneration of more than £60,000 during the current or prior year.

Key management personnel of the charitable company are considered to be the trustees and the Chief Executive Officer. During the year, key management personnel received remuneration (including employers national insurance contributions) of £243,583 (2017: £190,215).

UNIVERSITY OF LEICESTER STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

9. TRUSTEES' REMUNERATION

TRUSTEE NAME	Salary £	Pension £	Total 2018 £	Total 2017 £
R Holland	-	-	-	17,747
A Mitchell	-	-	-	17,747
D Schofield	-	-	-	17,747
R Boni	-	-	-	17,747
H Smailes	-	-	-	17,747
K Adamu	19,601	341	19,942	2,007
A Abdulla	19,601	278	19,879	2,056
M Henstock	17,942	185	18,127	2,007
A Moran	19,601	343	19,944	2,007
C Young (resigned 30 June 2018)	18,168	33	18,201	2,007
O Obioha (appointed 1 July 2018)	1,659	-	1,659	-
I Woolrych (appointed 1 July 2018)	1,659	50	1,709	-
Total	98,231	1,230	99,461	98,819

There were no other trustee-benefits for the year (2017: £nil). Six (2017: none) Trustees received reimbursement of expenses in relation to travel and subsistence totalling £5,181 (2017: £nil).

10. TANGIBLE FIXED ASSETS

TANGIBLE FIXED ASSETS		Fixtures and equipment
Group and Company	Cost	£
At 1 August 2017		700,979
Additions		30,259
Disposals		(2,881)
At 31 July 2018		728,357
Depreciation		
At 1 August 2017		574,135
Charge for the year		69,752
On disposals		(1,396)
At 31 July 2018		642,491
Net book value		
At 31 July 2018		85,866
At 31 July 2017		126,844
The net book value of fixed assets represents:		
	2018	2017
	£	£
Assets used for charitable activities	85,866	113,486
Commercial activities	-	13,358
	85,866	126,844

UNIVERSITY OF LEICESTER STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

11. FIXED ASSET INVESTMENTS

Group	Investments in joint venture £	Total £
Share of net assets		
At 1 August 2017	389,827	389,827
Share of profit	68,974	68,974
At 31 July 2018	<u>458,801</u>	<u>458,801</u>

The group's investment in its principal associate has been impaired on consolidation.

Company	Shares in Group Undertakings £	Other investments £	Total £
Cost			
At 1 August 2017	2	50	52
Additions	-	50	50
At 31 July 2018	<u>2</u>	<u>100</u>	<u>102</u>

12. PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

a. Principal subsidiaries

University of Leicester Students' Union Trading Ltd

Subsidiary name	University of Leicester Students' Union Trading Ltd
Company registration number	02821506
Basis of control	Wholly owned subsidiary
Equity shareholding %	100%

b. Principal joint ventures

The University of Leicester Students' Union Trading Ltd, has an equal 50% holding of the Student Union Lettings Limited, a charity which is registered in England.

The nature of the business is that of a student lettings agency and its registered office is First Floor, Campus Centre Building, Mill Lane, Leicester LE2 7DR.

Student Union Lettings Limited (trading as Sulets) is a company limited by guarantee and is therefore held as an investment in University of Leicester Trading Ltd at its nil value cost, reflecting its recoverable value to University of Leicester Trading Ltd and therefore its parent company, University of Leicester Students' Union.

c. Principal associates

Company name	Country	Shareholdings	Description
The Leicester Services Partnership Limited	England	50%	Operation of student related trading activities

Registered office

University of Leicester, University Road, Leicester LE1 7RH

UNIVERSITY OF LEICESTER STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

13. STOCKS	2018	Group	2018	Company
	£	2017	£	2017
		£		£
NUS cards stocks	2,378	8,117	-	8,117
14. DEBTORS	2018	Group	2018	Company
	£	2017	£	2017
		£		£
Trade debtors	74,338	71,205	69,629	65,445
Amounts owed by group undertakings	-	-	6,634	319,899
Amounts owed by associates	-	8,936	-	8,886
Other debtors	6,392	1,036	36,103	1,036
Prepayments and accrued income	70,168	64,581	18,809	10,720
	150,898	145,758	131,175	405,986
15. Creditors: Amounts falling due within one year	2018	Group	2018	Company
	£	2017	£	2017
		£		£
Trade creditors	74,398	42,001	72,624	37,051
Amounts owed to group undertakings	-	-	-	296,404
Amounts owed to associates	67,353	-	67,353	-
Other taxation and social security	16,979	40,123	16,080	38,532
Other creditors	42,731	16,416	42,731	16,416
Accruals and deferred income	114,687	84,827	93,855	55,244
	316,148	183,367	292,643	443,647
	2018	Group	2018	Company
	£	2017	£	2017
		£		£
Deferred income				
Deferred income at 1 August 2017	28,977	63,015	-	-
Resources deferred during the year	7,931	-	7,931	-
Amounts released from previous years	(8,144)	(34,038)	-	-
Deferred income at 31 July 2017	28,764	28,977	7,931	-

Deferred income relates to amounts received in respect of multi-year contracts and grant income received in advance.

UNIVERSITY OF LEICESTER STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

16. FINANCIAL INSTRUMENTS	2018	Group	2018	Company
	£	2017	£	2017
		£		£
Financial assets measured at amortised cost	132,089	129,049	112,366	395,266
Financial liabilities measured at amortised cost	270,405	114,267	268,632	405,115

Interest of £nil was paid on the balance of the loan from the University of Leicester in the year (2017: £11,137).

UNIVERSITY OF LEICESTER STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS – CHARITABLE COMPANY

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfer £	Balance at 31 July 2018 £
Restricted funds					
Clubs and Societies	246,061	489,570	(492,302)	-	243,329
Widening Participation Fund	16,502	28,500	(45,002)	-	-
Peer Mentoring Fund	12,578	48,000	(55,234)	-	5,344
Sports grant	-	34,794	(34,794)	-	-
Grant for intern	-	4,608	(4,608)	-	-
RFU Development Fund	-	2,628	(4,945)	4,134	1,817
	<u>275,141</u>	<u>608,100</u>	<u>(636,885)</u>	<u>4,134</u>	<u>250,490</u>
Unrestricted funds					
General reserves	1,485,639	1,884,630	(1,801,742)	(1,120,102)	448,425
Society Grant Reserves	34,386	-	-	(34,386)	-
Sports Clubs Reserves	60,332	-	-	(60,332)	-
	<u>1,580,357</u>	<u>1,884,630</u>	<u>(1,801,742)</u>	<u>(1,214,820)</u>	<u>448,425</u>
Designated funds					
LSP designated funding	-	-	-	275,000	275,000
Pension designated funding	-	-	-	250,000	250,000
Capital and strategic projects designated funding	-	-	-	685,686	685,686
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,210,686</u>	<u>1,210,686</u>
Pension reserve	(1,766,313)	-	293,901	-	(1,472,412)
	<u>(185,956)</u>	<u>1,884,630</u>	<u>(1,507,841)</u>	<u>(4,134)</u>	<u>186,699</u>
Total of funds	<u>89,185</u>	<u>2,492,730</u>	<u>(2,144,726)</u>	<u>-</u>	<u>437,189</u>

UNIVERSITY OF LEICESTER STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS – GROUP

	Balance at 1 August 2017 £	Income £	Expenditure £	Recognised gains and losses £	Transfers £	Balance at 31 July £
Restricted funds						
Clubs and Societies	246,061	489,570	(492,302)	-	-	243,329
Widening Participation Fund	16,502	28,500	(45,002)	-	-	-
Peer Mentoring Fund	12,578	48,000	(55,234)	-	-	5,344
Sports grant	-	34,794	(34,794)	-	-	-
Grant for intern	-	4,608	(4,608)	-	-	-
RFU Development Fund	-	2,628	(4,945)	-	4,134	1,817
	<u>275,141</u>	<u>608,100</u>	<u>(636,885)</u>	<u>-</u>	<u>4,134</u>	<u>250,490</u>
Unrestricted funds						
General reserves	1,485,634	2,013,251	(1,930,363)	(100)	(1,120,097)	448,325
Shares of net income from joint venture	389,832	68,974	-	-	(5)	458,801
Society Grant Reserves	34,386	-	-	-	(34,386)	-
Sports Clubs Reserves	60,332	-	-	-	(60,332)	-
	<u>1,970,184</u>	<u>2,082,225</u>	<u>(1,930,363)</u>	<u>(100)</u>	<u>(1,214,820)</u>	<u>907,126</u>
Designated funds						
LSP designated funding	-	-	-	-	275,000	275,000
Pension designated funding	-	-	-	-	250,000	250,000
Capital and strategic projects designated funding	-	-	-	-	685,686	685,686
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,210,686</u>	<u>1,210,686</u>
Pension reserve	(1,766,313)	-	293,901	-	-	(1,472,412)
	<u>203,871</u>	<u>2,082,225</u>	<u>(1,636,462)</u>	<u>(100)</u>	<u>(4,134)</u>	<u>645,400</u>
Total of funds	<u>479,012</u>	<u>2,690,325</u>	<u>(2,273,347)</u>	<u>(100)</u>	<u>-</u>	<u>895,890</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

17. STATEMENT OF FUNDS (continued)

The restricted funds relate to:

The Clubs and Societies Funds represent balances held for specific clubs and societies where the ultimate control would vest with the Union.

The Widening Participation fund relates to funds received directly from the University of Leicester to increase engagement of the student body in widening participation. This will include empowering student groups to deliver outreach activities to young people and other prospective students from disadvantaged backgrounds, raising awareness amongst current students about the issues related to fair access and student success.

The Union and University have agreed to work in partnership to develop a university-wide peer mentoring scheme. The project will be managed as part of the overall volunteer support process, the University have agreed funding of £48,000 to support this scheme.

The grant for intern relates to monies received towards employing an intern.

The RFU Development fund relates to monies received for the development of rugby at the University. The transfer to this fund from unrestricted funds relates to the opening balance of the fund and has been made to correctly show the fund as a restricted fund.

The designated funds relate to:

LSP designation funding represents a year's commercial grant contributions, in light of the losses made by the company at present.

Pension designated funding relates to funds set aside for future contributions towards the scheme, in light of the revaluation 2019/2020 and the known challenges faced by the scheme.

Capital and strategic projects designated funding represents the remaining funds designated for investment in strategic projects relating to the long-term development of the Union after taking account of the required funding needed to orderly wind down the Union in the event of the organisation ceasing to operate in the future in the light of the challenges facing the sector.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group – current year	Restricted funds 2018 £	General funds 2018 £	Designated funds £	Pension reserve 2018 £	Total funds 2018 £
Tangible fixed assets	-	85,866	-	-	85,866
Fixed asset investments	-	458,801	-	-	458,801
Current assets	255,157	673,940	1,210,686	-	2,139,783
Creditors due within one year	(4,667)	(311,481)	-	-	(316,148)
Defined pension scheme liability	-	-	-	(1,472,412)	(1,472,412)
	<u>250,490</u>	<u>907,126</u>	<u>1,210,686</u>	<u>(1,472,412)</u>	<u>895,890</u>
Group – prior year	Restricted funds 2017 £	General funds 2017 £	Designated funds 2017 £	Pension reserve 2017 £	Total funds 2017 £
Tangible fixed assets	-	126,844	-	-	126,844
Fixed asset investments	-	389,827	-	-	389,827
Current assets	275,141	1,636,880	-	-	1,912,021
Creditors due within one year	-	(183,367)	-	-	(183,367)
Defined pension scheme liability	-	-	-	(1,766,313)	(1,766,313)
	<u>275,141</u>	<u>1,970,184</u>	<u>-</u>	<u>(1,766,313)</u>	<u>479,012</u>
Charitable company – current year	Restricted funds 2018 £	General funds 2018 £	Designated funds 2018 £	Pension reserve 2018 £	Total funds 2018 £
Tangible fixed assets	-	85,866	-	-	85,866
Fixed asset investments	-	102	-	-	102
Current assets	255,157	650,433	1,210,686	-	2,116,276
Creditors due within one year	(4,667)	(287,976)	-	-	(292,643)
Defined pension scheme liability	-	-	-	(1,472,412)	(1,472,412)
	<u>250,490</u>	<u>448,425</u>	<u>1,210,686</u>	<u>(1,472,412)</u>	<u>437,189</u>
Charitable company – prior year	Restricted funds 2017 £	General funds 2017 £	Designated funds 2017 £	Pension reserve 2017 £	Total funds 2017 £
Tangible fixed assets	-	126,844	-	-	126,844
Fixed asset investments	-	52	-	-	52
Current assets	275,141	1,897,108	-	-	2,172,249
Creditors due within one year	-	(443,647)	-	-	(443,647)
Defined pension scheme liability	-	-	-	(1,766,313)	(1,766,313)
	<u>275,141</u>	<u>1,580,357</u>	<u>-</u>	<u>(1,766,313)</u>	<u>89,185</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	Group 2017 £
Net income / (expenditure) for the year (as per Statement of Financial Activities)	416,978	(273,979)
Adjustment for:		
Depreciation	69,752	144,623
Amortisation of intangible assets	-	1,500
(Decrease)/increase in pension deficit funding liability	(293,901)	1,055,859
Loss/(profit) on the sale of fixed assets	1,485	(5,446)
Interest received	(4,073)	(5,680)
Decrease in stocks	5,739	62,970
Increase in debtors	(5,140)	(6,569)
Increase/(decrease) in creditors	132,781	(261,031)
Loss on the sale of intangible assets	-	203,069
Repayment on loan	-	(342,799)
Net income from joint ventures and associates	(68,974)	(60,681)
Net cash provided by operating activities	254,647	511,836

20. PENSION COMMITMENTS

The Union participates in the Student's Union Superannuation Scheme, which is a defined benefit scheme whose membership consist 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 2016 and showed that the market value of the Scheme's assets was £101,313,000 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 £119,700,000.

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 assumption applied at 30 June 2018:-

- The investment return would be 5.3% per annum before retirement and 2.3% per annum after retirement.
- Pensions accruing on the CARE basis would revalue at 3.2% per annum.
- Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2016 Valuation recommended a monthly contribution requirement by each Participating Employer express in monetary terms intended to clear the ongoing funding deficit over a period of 16 years and which increased by 20% from 1 October 2017, and at least 5% each year subsequently. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 28 June 2017. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

20. PENSION COMMITMENTS (continued)

FRS 102 and Charities SORP (FRS102), require that the charitable company share of past service shortfall is reflected in the financial statements. Based on the most recent valuation, the charitable company took the option to pay a lump sum of £285,621 to cover the period between October 2017 and September 2020 has they contribution to eliminate the shortfall. Each October the annual contribution will increase by 5% until June 2033.

Therefore, at 31 July 2018, the balance sheet of Union includes a liability of £1,472,412 (2017: £1,766,313), which represents the net present value of all future contributions towards eliminating this shortfall. The discount rate used is 2.72% which is comparable to that for a 15+ year AA-rated corporate bond. The estimated liability is based on the 2016 triennial valuation of the scheme and will necessarily require revision after subsequent revaluations. The balance is made up as follows:

	2018 £
Balance brought forward	1,766,313
Contributions made in the year	(285,621)
(Credit)/charge to statement of financial activities	(8,280)
	<hr/> 1,472,412 <hr/>

During the year the Student Union were made aware of a claim against the Students' Union Superannuation Scheme. As a participating student union a potential liability exists as a result of this claim although its quantum cannot be reliably measured at the date of signing the accounts and therefore no provision has been made in these financial statements.

The charitable company also contributes to three defined contribution schemes:

The total contributions paid to The Universities Superannuation Scheme (USS) during the year amounted to £18,802 (2017: £19,086). At the year end, the charitable company was owed £20 (2017: £1,102 was payable).

The total contributions paid to The NUS Aegon Pension Scheme during the year amounted to £3,653 (2017: £6,849). At the year end, the charitable company outstanding amount due was £29 (2017: £514).

The total contributions paid to The National Employment Savings Trust (NEST) during the year amounted to £10,210 (2017: £8,112). At the year end, the charitable company outstanding amount due was £9 (2017: £1,050).

21. RELATED PARTY TRANSACTIONS

Company

University of Leicester Students' Union Trading Ltd

The wholly owned subsidiary, University of Leicester Students' Union Trading Ltd, is included within the consolidated accounts.

University of Leicester Students' Union Trading Ltd gift aided £73,017 in the year (2017: £335,899). This balance was outstanding at the year end.

University of Leicester Students' Union Trading Ltd income and expenditure goes through the charitable company's bank account and also the charitable company has recharged for the use of staff amounting to £73,567 (2017: £nil). At the year end, University of Leicester Students' Union Trading Ltd owed the charitable company £6,634 (2017: £23,495).

Group and company

University of Leicester

The majority of the Student Unions' funding is derived from the University of Leicester, which is a related party as the Student Unions' principal activities involve providing services to its student body.

The Student Union receives a block grant from the University of Leicester £908,521 (2017: £877,111). Additional grants are provided by the University for project support of £678,584 (2017: £485,790).

During the year the group made sales of £80,600 (2017: £455,124) to the University of Leicester and made purchases of £84,719 (2017: £84,534) from the University of Leicester. During the year the company made purchases of £46,450 (2017: £84,534) from the University of Leicester.

At the year end, the University of Leicester owed £6,632 (2017: £nil) to the group.

In addition the Student Union occupies its building on a rent free basis.

The Leicester Services Partnership Limited

During the year the group made sales of £553 (2017: £Nil) and the company made sales of £216 (2017: £Nil) to The Leicester Services Partnership Limited. At the year end, The Leicester Services Partnership Limited was owed £67,353 (2017: £Nil) by the group.

Student Union Lettings Limited

During the year the group made sales of £13,000 (2017: £Nil) to Student Union Lettings Limited.

Other related parties are the Sabbatical Officers and Trustees as detailed in the Trustees' report. Details of remuneration received by these individuals are shown in note 9. Remuneration of key management personnel is shown in note 8.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2017

	Unrestricted funds 2017 £	Restricted funds 2017 £	Continuing operations 2017 £	Discontinued operations 2017 £	Total funds 2017 £
INCOME FROM:					
Donations and legacies	1,632,892	175,955	1,808,847	-	1,808,847
Charitable activities	123,164	476,405	599,569	-	599,569
Other trading activities	2,496,275	-	264,407	2,231,868	2,496,275
Investments:					
Share of joint venture gross					
Income	60,681	-	60,681	-	60,681
Interest received	5,680	-	5,680	-	5,680
Other income	12,364	-	12,364	-	12,364
TOTAL INCOME	4,331,056	652,360	2,751,548	2,231,868	4,983,416
EXPENDITURE ON:					
Raising funds	2,297,601	-	250,653	2,046,948	2,297,601
Charitable activities	2,340,251	619,543	2,959,794	-	2,959,794
TOTAL EXPENDITURE	4,637,852	619,543	3,210,447	2,046,948	5,257,395
NET MOVEMENT IN FUNDS (306,796)		32,817	(458,899)	184,920	(273,979)