

Company Registration No. 02821506 (England and Wales)

**UNIVERSITY OF LEICESTER STUDENTS' UNION
TRADING LTD**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2022**

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UNIVERSITY OF LEICESTER STUDENTS' UNION TRADING LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2022

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

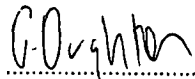
UNIVERSITY OF LEICESTER STUDENTS' UNION TRADING LTD**STATEMENT OF FINANCIAL POSITION****AS AT 31 JULY 2022**

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	3	64,304		14,954	
Creditors: amounts falling due within one year	4	<u>(64,302)</u>		<u>(14,952)</u>	
Net current assets			<u>2</u>		<u>2</u>
Capital and reserves					
Called up share capital	5		<u>2</u>		<u>2</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 27/03/23 and are signed on its behalf by:



G Oughton
Director

UNIVERSITY OF LEICESTER STUDENTS' UNION TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

Company information

University of Leicester Students' Union Trading Ltd is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is University of Leicester Students Union, Percy Gee Building, University Road, Leicester, LE1 7RH.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including adoption of the amendments issued in December 2017 ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The company continued on a phased business continuity plan to respond to the changing environment. Whilst income streams impacted as a result of Covid-19 started to recover in the year, the company has prepared forecasts for a period of at least one year from the date of approval of the accounts by looking at how a fall in revenue could impact the financial position. These forecasts are based on known information at the time of compiling and will be monitored and modified on an ongoing basis. The directors also consider that the company's costs will be contained and managed in line with income generated as its costs are incurred by a recharge of costs from its parent undertaking. Based on this the directors consider that the company has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of accounts.

Turnover

Turnover represents revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade debtors, other debtors and amounts owed by group undertaking, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

UNIVERSITY OF LEICESTER STUDENTS' UNION TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies (Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to statement of income, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Gift aid payments

The company will donate the lower of its yearly profits after tax or available distributable profits as a gift aid distribution under a deed of covenant to its parent undertaking, University of Leicester Students' Union.

UNIVERSITY OF LEICESTER STUDENTS' UNION TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies (Continued)

Investment

The company has a long term interest and shares, controlled under a contractual arrangement that is classified as a jointly controlled entity. The interest in the jointly controlled entity is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investment is assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the statement of income.

2 Employees

The company had no employees during the current and preceding year. Wages and salaries included in the financial statements this year, represent a recharge from the parent undertaking for services provided to the company by their employees.

3 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	1,628	304
Amounts owed by group undertakings	595	14,648
Other debtors	62,081	2
	<u>64,304</u>	<u>14,954</u>

4 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	510	-
Taxation and social security	1,717	2,505
Other creditors	62,075	12,447
	<u>64,302</u>	<u>14,952</u>

5 Called up share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital Issued and not fully paid				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

The company has share capital of 2 ordinary shares of £1 each which have been issued but not fully paid.

UNIVERSITY OF LEICESTER STUDENTS' UNION TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

6 Investment

The company has a 50% joint ownership in the entity Student Union Lettings Limited, a charity which is registered in England and Wales. 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, Leicestershire, LE2 7DR.

Student Union Lettings Limited (trading as Sulets) is a company limited by guarantee and is therefore held at nil value in investments, which also reflects its recoverable value to the company and therefore its parent undertaking, University of Leicester Students' Union.

Student Union Lettings Limited is jointly controlled by De Montfort University Students Union Limited and University of Leicester Students' Union Trading Ltd. This collaboration with De Montfort University Students Union Limited offers many commercial advantages within student lettings including contracts with External Halls Providers.

All funds generated by Student Union Lettings Limited are restricted for use by Student Union Lettings Limited in line with the objects of that charity.

A summary of the trading results of Student Union Lettings Limited are shown below:

	2022 £	2021 £
Income	1,459,492	1,912,484
Expenditure	(1,328,056)	(1,705,926)
Net movements in funds	131,436	206,558

	2022 £	2021 £
Balance sheet		
Fixed assets	265,304	27,129
Current assets	1,491,942	1,654,900
Creditors: amounts falling due within one year	(115,905)	(172,124)
Total funds	1,641,341	1,509,905

The company constitutes 50% of the ownership, therefore the company's share of income is £729,746 (2021: £956,242) and share of expenditure is £664,028 (2021: £852,963). The company's share of the total funds at 30 June 2022 is £820,670 (2021: £754,953).

7 Related party transactions

The majority of the company's parent charity undertaking University of Leicester Students' Union's 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. During the year the company made purchases of £43 (2021: £Nil) from the University of Leicester and sales of £15,415 (2021: £972) to the University of Leicester. At the year end the company was owed £Nil by (2021: £Nil) the University of Leicester.

The company has a 50% joint ownership in Student Union Lettings Limited, a company limited by guarantee. During the year the company made sales of £10,348 (2021: £10,000) to Student Union Lettings Limited.

UNIVERSITY OF LEICESTER STUDENTS' UNION TRADING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

8 Parent company

The company is controlled by and is a subsidiary of University of Leicester Students' Union by virtue of its 100% holding of the issued share capital. The company's financial statements are consolidated in the financial statements of University of Leicester Students' Union. The registered office of University of Leicester Students' Union is University of Leicester Students' Union, Percy Gee Building, University Road, Leicester, Leicestershire, LE1 7RH.

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Gareth Jones.

The auditor was RSM UK Audit LLP.