

UNIVERSITY OF EAST LONDON STUDENTS' UNION
(A COMPANY LIMITED BY GUARANTEE)

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



Registered charity number: 1173994

Registered company number: 10820498

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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UNIVERSITY OF EAST LONDON STUDENTS' UNION

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ADMINISTRATIVE INFORMATION

Charity number 1173994
Company number 10820498

Trustees

Amar Abbas	appointed 01 July 2018
Craig Bailey	appointed 01 July 2018
Fathimath Irfana Kottikulam-Aboobacker	appointed 01 July 2021
Rev. Nicholas Leggett	appointed 15 June 2017
Lavanya Rajendran	appointed 01 July 2021
Martin Young (chair)	appointed 15 June 2017
Katie Joyce Burnett	appointed 16 December 2020, resigned 30 June 2021
Andy Gan	appointed 16 December 2020, resigned 30 June 2021
Insia Durrani	appointed 01 July 2020, resigned 30 June 2021
Jasmeetsingh Gupta	appointed 01 July 2021, resigned 03 August 2021
Naveen Pradeep	appointed 01 July 2019, resigned 30 June 2021
Jayraj Samtani	appointed 01 July 2020, resigned 30 June 2021

Chief Executive

Patrick Reilly

Principal office

4-6 University Way
London
E16 2RD

Auditors

Crowe UK LLP
Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

Accountants

Blue Spire Limited
Cawley Priory
South Pallant
Chichester
PO19 1SY

Bankers

Barclays Bank PLC
737 Barking Road
Plaistow
London
E13 9PL

Solicitors

Wrigleys Solicitors LLP
19 Cookridge Street
Leeds
LS2 3AG

UNIVERSITY OF EAST LONDON STUDENTS' UNION

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REPORT OF THE TRUSTEES

The Trustees of University of East London Students' Union ("the Union") present their annual report for the period from 01 August 2020 to 31 July 2021, which includes the legal and administrative information set out on page one, together with the audited financial statements for that period.

The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities in preparing the annual report and financial statements.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2019.

Legal and charitable status

University of East London Students' Union is a company limited by guarantee registered in England and Wales (registered number 10820498) and is a charity registered in England and Wales (registered number 1173994). The company was incorporated on 15 June 2017.

Governing documents

The Union is constituted and governed under the memorandum and articles of association, the bye-laws and other regulations approved from time-to-time by the Trustees. Those parts of the above documents relating to the Education Act 1994 which are subject to the approval of the University have been approved by the University. The articles of association are subject to review by the University every five years.

Board of Trustees

The Union is administered by its Board of Trustees. The Trustees are the directors and members of the company for the purposes of company law. In accordance with the articles of association, the Board of Trustees must consist of:

- not more than three Executive Officer Trustees;
- not more than two Student Trustees;
- not more than four Lay Trustees;
- not more than one trustee nominated by the University of East London ("the University").

Three Executive Officer Trustees (student officers) are elected by cross-campus ballot each spring and serve for a term of one year from 01 July; they can serve two such terms. Lay Trustees are appointed for a four-year term (renewable once) following an open recruitment and selection process. During the period, Mr Young and Rev Leggett were reappointed for a second four-year period which will expire on 16 January 2025. The two Student Trustees were appointed by the Trustees after an open competition.

Upon appointment, all Trustees receive a variety of information through their induction relating to their legal and administrative obligations as trustees and directors. Executive Officer Trustees and Student Trustees undertake bespoke trustee training. Additional briefings on specific issues are provided when the need arises from time-to-time.

The Trustees have established several sub-committees to assist them in carrying out their duties. The sub-committees were restructured during the period and there are now three sub-committees:

- appointments committee
- audit, finance and risk committee
- human resources committee

The powers and responsibilities of those sub-committees are outlined in the bye-laws. The sub-committees report on their activities and actions to the Trustees on a regular basis.

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Senior management team

The Trustees delegate the day-to-day management, the development of strategy and overall leadership of the Union to the chief executive. The chief executive leads a senior management team to ensure effective management of the Union. These team members are regarded as being the key management personnel outside of the Trustees.

Chief Executive
Head of Engagement and Marketing
Head of Policy and Advice

Patrick Reilly
Sharleni Inbanathan (until 25 May 2021)
Lisa Thomas

Relationship with University of East London

Under the Education Act 1994, the University must take reasonably practicable steps to ensure the Union is run in a fair and democratic manner and that it is held to account for its finances. The relationship between the Union and the University is established in the articles of associations, the University's regulations, the memorandum of understanding between the organisations, and the code of practice.

The Union receives an annual grant from the University and part-occupies, at no cost, buildings owned by the University. The University covers the cost of some utilities, services and staff support and employs the chief executive, who is seconded to the Union. This non-monetary support is intrinsic to the relationship between the organisations and is detailed elsewhere in this report.

Remuneration

A sub-committee of the Board of Trustees, the human resources committee, is responsible for reviewing the salaries of key staff members. The committee considers relevant data from other students' union and comparable organisations to assist with their decision-making in accordance with the pay policy. The committee makes recommendations to the University on the remuneration of the chief executive.

Aims and objectives

The Union's charitable objects are the advancement of education of students at University of East London for the public benefit by:

- promoting the interests and welfare of students at University of East London during their course of study and representing, supporting and advising students;
- being the recognised representative channel between students and University of East London 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.

The Union's current vision was redefined in 2016/17 as follows: "we will ensure that every UEL student has an exceptional and diverse university experience that makes them feel valued, supported and empowered to break through any barrier that stands between them and their aspirations".

In pursuit of its aims for the public benefit, the Union ensures the diversity of its membership is recognised, valued and supported and it 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.

Public benefit

In furtherance of the charity's aims and objectives, the Trustees have complied with their duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's published general guidance concerning the operation of the public benefit requirement under that Act.

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Achievements and performance 2020/21

As a result of the COVID pandemic, the year was one of the most challenging the Union has faced. Although the University restored some on-campus delivery, most students did not participate in any activities on campus other than specialist laboratory- or studio-based activities. From the start of term in September 2020, various lockdown rules meant many typical social activities which form the basis of Union engagement were illegal or contravened Government guidance.

Where relevant in-person activities were permitted, it quickly became clear that most students were not interested in participating in them. Our research showed this was generally for two reasons:

1. concerns about their health and being involved in events with lots of attendees; and
2. they did not want to attend campus only for social activities (for time and cost reasons) when their learning activities were online.

It quickly became apparent that this pattern of attendance and participation would continue throughout the academic year. All Union social activities were moved online, with regular reviews of participation at those events and the number of students on campus. In December 2020, the Government introduced stricter lockdown rules in London and the southeast which effectively eliminated any possibility of a return to in-person activities for the remainder of the academic year.

Unaware of how the pandemic would play out for the year ahead, the Union set out five strategic priorities in September 2020. These are outlined below.

1. *Give students the ability to make informed decisions themselves; ensure students can input into our decision-making.*

In the last three years, the changing profile of students in the University has contributed to a large increase in demand for advice which was unsustainable based on the previous model. One of our goals was to update our model for providing advice to students so that we would provide more information to students before they required our support, i.e. a preventive approach. We introduced regular webinars and group advice sessions for students which were aligned to the academic calendar so that students could get the information they needed.

Despite this change, we still had approximately 800 individual student clients for whom we opened a case file. These are typically cases which cannot be answered in a short conversation (face-to-face or by email). We have used the data from these cases to inform our work with the University where we have sought changes to academic regulations and policies.

Although the Union does not offer advice on money, staff can direct students to appropriate funds. We worked with the University to better advertise the funds available and to provide students with the information they need to make an application without requiring a meeting with staff. This is quicker and easier for students and a more efficient use of staff time.

We undertook several research projects to understand students' views and opinions on a range of issues including changes to academic regulations and policies, access to IT systems, the type of activities and events students would attend, student finance and others. Again, these were used to inform our campaigns for change in the University.

2. *Create a greater sense of community, belonging and engagement; build knowledge and awareness; build commercial income.*

Our aims were to create a greater sense of community, boost belonging and engagement, and build knowledge and awareness amongst our students. We hoped to achieve this through a programme of:

- social events with a focus on meeting new people;
- advice and information sessions;
- academic and social events linked to our societies, academic student groups and community groups.

The pandemic led to us delivering the entire programme online.

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By the end of the previous academic year – the latter half of which was badly affected by the beginning of the pandemic – most of our student groups had ceased to function. We had to re-establish those groups and establish new groups in autumn 2020. The challenging targets were to establish 50 student groups and recruit 600 members to those groups by the end of teaching week four. Despite the activities being almost exclusively online, we established 56 groups and recruited 746 members. Those student groups hosted a total of 73 events in the autumn term.

The groups included 21 academic groups – one academic group per cluster/subject – with the goal of running at least three events each per annum. These groups are intended to be student-led with a committee organising subject-based events and activities. However, engagement from students and staff was below expectations. To resolve this, we ran a new 'adopt a society' marketing campaign to encourage students to take on leadership positions in student groups which did not have committee members. This campaign resulted in 77 applications.

However, the changes to COVID guidance just before Christmas 2020 had a catastrophic effect on student groups. In addition, students had grown tired of online events. This led to student groups organised very few events in the spring term.

Apart from the student groups, we planned to deliver a full programme of social activities and events throughout the year. Over 14 weeks, we organised more than 150 online events in addition to the student group events: 43 in welcome week in September 2020, 20 in welcome week in January 2021, and the remainder during teaching weeks. Online events generally had lower costs than in-person events which meant a wide range of events could be trialled to ascertain what might appeal to students after the pandemic. There was an average of four events per week excluding welcome weeks. However, online events were very challenging in terms of meaningful engagement with students.

We delivered a programme of events – several in collaboration with the University – marking awareness periods such as Black History Month, anti-bullying week, International Student's Day, and Disability History Month. The programme included launches for the Black, Asian, and minority ethnic students' (BAME) and Disabled students' community groups, and also speed meets and impactful panel discussions on the degree-awarding gap and disability activism at universities. Black History Month saw relatively high levels of student engagement, particularly for the panel event on the degree-awarding gap. We successfully used the awareness months to boost memberships levels for the BAME and disabled students' community groups.

3. Ensure systems are in place to support effective operations

The trustees used the reserves set aside for one of the key infrastructure projects to invest in new IT equipment for all staff and student officers. This included laptops to support mobile working and additional monitors and other peripherals to ensure home working environments were suitable for prolonged use. The laptops are managed by the University's IT services team, meaning users have secure access to all systems. The equipment also greatly reduces the significant risk associated with staff using insecure personal or Union-owned devices to access IT systems which store large amounts of students' personal data. In addition to the equipment supporting COVID-required periods of home-working, the benefits will continue by eliminating the need to print papers for meetings and reducing the need for staff to regularly return to their desks during the day to access systems.

The team successfully built an initial version of a new data store to support reporting on engagement in activities and events in the future, although staff departure meant this work has been paused temporarily. It will be restarted after the marketing and insight team has been recruited.

The election and training of course representatives and student group committee members were undertaken online for the first time. There was mixed success in the course representative elections with some academic departments being proactive in supporting the new system, although other departments continued with the old system. The student group committees suffered due to the ongoing challenges of COVID, although more than 20 student groups elected their committee members online. In general, students reported that the training was more accessible and easier to use than previous years. There was a notable improvement in communication from student group committee members over previous years.

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4. Ensure the Students' Union is underpinned by sound governance framework and operations

Following on from the review of representation structures in the previous year, the trustees completed the full review of the bye-laws. New bye-laws were introduced which reflect current law and best practice and also better support the objectives of the Union. Several bye-laws were deleted as they are no longer relevant, the roles of student officers and school representatives were clarified, and new terms of reference were written for all sub-committees. Plain English has been used to make the documents more accessible for students.

The trustees agreed a new memorandum of understanding with the University and updated the code of practice which is required by the Education Act 1994.

Elections were held to appoint our first paid school representatives (one per school). Paying elected part-time officers in the sector is unusual, but it demonstrated the Union's commitment to responding to the needs of the students who often said they are too busy with work and other commitments to take on a voluntary commitment. As expected, the new roles contributed to creating a more diverse student leadership committee.

The trustees also implemented the new student trustee appointment process. The appointments committee received applications from a diverse mix of students. After interviewing several students, they recommended two students for appointment. The recommendations were approved by the student leadership committee.

5. Prepare a new strategic plan

This project was delayed in the previous year, partly due to the onset of COVID as the work was commencing. To inform the development of the plan, the Union undertook a major project in spring 2021 with an external market research partner. The aim of this project was to gain a detailed understanding of the barriers to participation in a full student experience in two areas:

- barriers which relate to students' personal lives and circumstances;
- barriers which are created or caused by the University.

Almost 1,000 students took part in a comprehensive three-stage project which identified the key barriers to participation. The Union invested almost £10,000 in direct incentives for students. The findings are being used to inform the Union's strategic planning process and relevant information has been shared with the University.

Representation

The Union has continued to undertake its crucial role of representing students in the University. It has also been an excellent 'critical friend' to the University. As in the previous year, the Union contributed to the development of University plans for online delivery and COVID preparedness by providing relevant student-informed input to plans. We also undertook five small-scale research projects on subjects such as digital poverty, returning to campus, and student wellbeing.

The Union also presented a substantial paper to the University's education and experience committee in autumn 2020 proposing significant changes to a wide range of regulations and policies. Every recommendation was adopted by the University and are being implemented by the University, although several had not been completed by the end of the year.

The Union continues to work proactively with the University to support students in 2021/22 as the impact of the pandemic continues to be felt among the student membership.

Financial review

The Union's gross income from all sources during the period totalled £1,084,963, of which £1,077,362 was unrestricted. This includes grants from the University of £779,015 and an estimated value of £270,685 for in-kind benefits such as serviced accommodation and the chief executive's remuneration. It also includes grants from the government job retention scheme of £23,947 and income totalling £11,316 generated from charitable activities.

The costs of services provided to the membership including representation, advice and activities and costs associated with generating charitable income was £895,169. This included legal and professional fees and

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other governance cost totalling £74,207.

Net income of £189,794 and a pension provision of £17,754 increased overall reserves from a deficit of £1,035,446 to a deficit of £827,898. At the balance sheet date, free reserves, being unrestricted income funds not represented by fixed assets, amounted to a deficit of £822,002 and a revised fund of £498,300 excluding the pension liability.

The Union is affiliated to the National Union of Students, for which the affiliation fee in the period was £17,175. The other affiliation in the period was to AdviceUK (£246).

No donations were made to any external organisations from the Union's own resources.

Reserves

In July 2019, the Trustees agreed a new reserves policy of maintaining cover for 30 days' operating costs to cope with any unexpected downturn in funding or additional calls on our resources without immediately curtailing activities. This new policy reflects that the Union's main source of funding is stable and agreed in advance, with very limited reliance on other fundraising or trading. The current general fund of £498,300 covers more than 160 days' operating costs. The Trustees will continue to maintain reserves in accordance with the reserves policy.

Fundraising

The Union had no fundraising activities which require disclosure under s162A of the Charities Act 2011.

Future plans

The Union has six broad areas of work for 2021/22, which are supported by an operational plan. Responsibility for delivery of the operational plan lies with the senior management team and the student officers.

1. Re-build and induct a team of permanent and student staff, student representatives and student trustees.
2. Deliver a wide-ranging welcome week programme which will commence the reinvigoration of our activities, events, and student and community groups. It will include a large welcome fair which displays the best of what we have to offer and start to raise charitable income throughout external partnerships.
3. Deliver a programme of regular term-time activities and events in conjunction with Residential Life and other partners to support a sense of community and belonging.
4. Support our student and community groups to rebuild their memberships and to organise new activities and events to enhance the community feel on our campuses.
5. Run the course representative election system and training entirely online in October 2021 and repeat for levels four and five in spring 2022.
6. Finalise the new strategic plan after consulting students on the headline objectives.
7. Develop a new brand for the Union alongside the strategic plan and launch this simultaneously.

Risk management

The major strategic, business and operational risks faced by the Union have been examined and are included in a risk register. This register is periodically scrutinised and updated by the management team and the audit committee. Systems or procedures are established or amended as required to mitigate and manage risks.

Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. These are periodically reviewed by the finance committee. Procedures are in place to ensure compliance with health and safety of all staff, student officers, volunteers and participants in all activities organised by the Union.

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In addition to an external audit process, the Union is subject to annual internal audit review by the University's internal auditors.

Trustees' responsibilities

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

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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

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

In so far as the trustees are aware:

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

Approved by the Trustees and signed on their behalf.



Martin Young
Chair of the Board of Trustees

Date 28 JANUARY 2022

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INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Members of University of East London Students' Union

Opinion

We have audited the financial statements of The University of East London Students' Union for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of the surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

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Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors report including within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included in the Trustees' Annual Report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the charity were Health and Safety, Safeguarding, Charity Commission regulations and General Data Protection Regulation (GDPR). Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

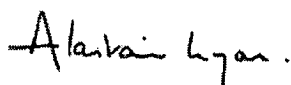
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on non-grant income, proof in total work on grant income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance. Our audit procedures to respond to revenue recognition risks include testing a sample of income across the year to supporting documentation, and reviewing income received either side of the year end to ensure this has been recognised correctly.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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. This description forms part of our auditor's report.

Use of our report

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



Alastair Lyon
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Reading

Date: 31 January 2022

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

STATEMENT OF FINANCIAL ACTIVITIES

				Year ended 31 July 2021 Total Funds £	Year ended 31 July 2020 Total Funds £
	Note	Unrestricted Funds £	Restricted Funds £		
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	1	1,073,647	-	1,073,647	1,072,997
Charitable activities	2	3,715	7,601	11,316	42,173
Total		<u>1,077,362</u>	<u>7,601</u>	<u>1,084,963</u>	<u>1,115,170</u>
EXPENDITURE ON:					
Charitable activities	3	895,169	-	895,169	856,249
Total		<u>895,169</u>	<u>-</u>	<u>895,169</u>	<u>856,249</u>
Net Income		182,193	7,601	189,794	258,921
Transfers between funds	13	-	-	-	-
Pension charges	12	17,754	-	17,754	(453,154)
Net movement in funds		<u>199,947</u>	<u>7,601</u>	<u>207,548</u>	<u>(194,233)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward	13	(1,041,367)	5,921	(1,035,446)	(841,213)
Total funds carried forward	13	<u>(841,420)</u>	<u>13,522</u>	<u>(827,898)</u>	<u>(1,035,446)</u>

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

BALANCE SHEET AS AT 31 JULY 2021

	Note	31 July 2021 £	£	31 July 2020 £	£
FIXED ASSETS					
Tangible assets	9	19,418		-	
Total fixed assets			19,418		-
CURRENT ASSETS					
Debtors	10	73,222		45,471	
Cash at hand and in bank		458,717		386,163	
Total current assets		531,939		431,634	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	11	20,117		22,424	
Net current assets/(liabilities)			511,822		409,210
Total assets less current liabilities			531,240		409,210
Provisions for liabilities	12		(1,359,138)		(1,444,656)
Net assets/(liabilities)			<u>(827,898)</u>		<u>(1,035,446)</u>
THE FUNDS OF THE CHARITY					
Restricted funds			13,522		5,921
Unrestricted funds					
Designated pension fund	13	(1,359,138)		(1,444,656)	
Designated capital fund	13	19,418		-	
General funds	13	498,300		403,289	
Total unrestricted funds			(841,420)		(1,041,367)
Total charity funds	13		<u>(827,898)</u>		<u>(1,035,446)</u>

Approved by the trustees and signed on their behalf.



Martin Young
Chair of the Board of Trustees

Date 28 JANUARY 2022

Registered company number: 10820498

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

STATEMENT OF CASH FLOWS

		Year ended 31 July 2021		Year ended 31 July 2020	
	Note	£	£	£	£
Net cash flow from operating activities (see below)			95,795		164,945
Cash flow from investing activities					
Payments to acquire tangible fixed assets		(23,241)		-	
Net cash flow from investing activities			(23,241)		-
Net increase/(decrease) in cash and cash equivalents			72,554		164,945
Cash and cash equivalents at 31 July 2020	15		386,163		221,218
Cash and cash equivalents at 31 July 2021	15		<u>458,717</u>		<u>386,163</u>
Cash and cash equivalents consist of:					
Cash at bank and in hand			458,717		386,163
Cash and cash equivalents at 31 July 2021	15		<u>458,717</u>		<u>386,163</u>
Reconciliation of net income to net cash flow from operating activities					
		Year ended 31 July 2021		Year ended 31 July 2020	
		£	£	£	£
Net income/(expenditure) for the period			189,794		258,921
Adjusted for:					
Depreciation and impairment of tangible fixed assets		3,823		1,630	
Decrease/(increase) in stocks		-		-	
Decrease/(increase) in debtors		(27,751)		(31,263)	
Increase/(decrease) in creditors less than one year		(2,307)		196	
Loss on disposal of fixed assets		-		-	
Scheduled pension deficit payments		(67,764)		(64,539)	
			(93,999)		(93,976)
			<u>95,795</u>		<u>164,945</u>

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

ACCOUNTING POLICIES

General information, scope and basis of the financial statements

University of East London Students' Union is an incorporated charity established under a memorandum and articles of association with the company number 10820498 and with the registered charity number 1173994. The principal address of the charity is given in the charity information page of these financial statements and the nature of the charity's operations and principal activities are outlined in the trustees' report.

University of East London Students' Union incorporated on 15 June 2017. A transfer agreement was signed by the Board of the previously unincorporated entity on 21 July 2017, transferring all the operations, assets and liabilities of that charity to the newly registered entity on that date.

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

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements and estimates. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are that of the SUSS pension scheme deficit. A discount rate of 1.8% has been used in line with industry standards.

Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

In their assessment of going concern the directors have considered the current and developing impact on the charity as a result of the COVID19 virus. This has not had a significant, immediate impact on the Charity as they are able to continue to operate in a remote environment and forecasted income and expenditure is sufficient with the level of reserves for the charity but the Trustees are aware that if the current situation becomes prolonged then this may change.

Having regard to the above, the Trustees believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and cash deposits. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

ACCOUNTING POLICIES

Recognition of expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities; which includes costs in furtherance of the charity's objects and costs to support those activities

Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on charitable activities on a basis consistent with use of the resources.

Governance costs

Governance costs comprise the costs associated with the governance arrangements of the charity and include audit fees, legal advice (if any) for trustees, costs associated with constitutional and statutory requirements and any costs associated with the strategic as opposed to the day to day management of the charity's assets.

Donated services and facilities

The University of East London provides the charity with office space and the services of the Chief Executive Officer at no charge. As required by SORP 2019, the donation of these facilities and services is included as an incoming resource and a matching outgoing resource within the statement of financial activities at the trustees' estimate of their value to the charity.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Pension Costs

University of East London Students' Union participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the pension scheme trustees on the advice of the actuary. 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 University of East London Students' Union. Under the terms of FRS 102, the discounted present value of future cash flows under a deficit funding arrangement is included as a liability in these accounts and the change in that valuation from year to year is taken to the statement of financial activities.

With effect from 30 September 2011 the scheme was closed to future accrual. Payments to the Students' Union Superannuation Scheme continued after the closure of the scheme in the form of deficit funding and levies.

The Union also operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

The charity is considered to pass the tests set out in sections 521 to 536 Income Tax Act 2007 (ITA 2007), as such no income tax is payable on the charity's activities.

Leases

All leases are operating leases and the annual rentals are charged to the income and expenditure account on a straight line basis over the life of the lease.

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

ACCOUNTING POLICIES

Tangible Fixed Assets

Tangible fixed assets, costing more than £1,000, are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Clubs' and societies' equipment	- 33.33% reducing balance
Computer equipment	- 20% per annum on cost
Fixtures and fittings	- 10%-20% reducing balance

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund accounting

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

Designated funds are funds set aside by the trustees to be used at their discretion in furtherance of one or more specific purposes in furtherance of the objects.

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

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

NOTES TO THE FINANCIAL STATEMENTS

1. Donations and legacies

	Year ended 31 July 2021			Year ended 31 July 2020		
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Block grant	779,015	-	779,015	763,740	-	763,740
Donated services and facilities	270,685	-	270,685	268,173	-	268,173
Other grants	23,947	-	23,947	41,084	-	41,084
	<u>1,073,647</u>	<u>-</u>	<u>1,073,647</u>	<u>1,072,997</u>	<u>-</u>	<u>1,072,997</u>

Donated services and facilities comprises provision by the University of fully serviced space to the Students' Union at a value to the Union estimated at £300 per square metre and the provision of services for the supply of the Chief Executive Officer. The trustees regard this as an appropriate basis for determining value to the charity.

Other grants includes Coronavirus Job Retention Scheme income of £23,947 (2020: £9,434).

2. Income from charitable activities

	Year ended 31 July 2021			Year ended 31 July 2020		
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Balls and events income	129	-	129	31,219	-	31,219
Societies income	-	7,601	7,601	-	3,523	3,523
NUS and other income	3,586	-	3,586	7,431	-	7,431
	<u>3,715</u>	<u>7,601</u>	<u>11,316</u>	<u>38,650</u>	<u>3,523</u>	<u>42,173</u>

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

NOTES TO THE FINANCIAL STATEMENTS

3. Expenditure on charitable activities

	Staff costs £	Other direct costs £	Support costs (note 4) £	Year ended 31 July 2021 Total Funds £
<u>Charitable activities</u>				
Student Advice	4,402	21,907	25,133	51,442
Shops and Bars	-	-	-	-
Campaigns and Comms	-	-	-	-
Events and Entertainments	-	11,067	10,572	21,639
Clubs, Affiliations	382,499	-	365,382	747,881
Societies (restricted)	-	-	-	-
	<u>386,901</u>	<u>32,974</u>	<u>401,087</u>	<u>820,962</u>
<u>Governance</u>				
Legal and professional fees	-	13,920	-	13,920
Other governance costs	-	24,033	36,254	60,287
	<u>-</u>	<u>37,953</u>	<u>36,254</u>	<u>74,207</u>
	<u>386,901</u>	<u>70,927</u>	<u>437,341</u>	<u>895,169</u>
Unrestricted	386,901	70,927	437,341	895,169
Restricted	-	-	-	-
	<u>386,901</u>	<u>70,927</u>	<u>437,341</u>	<u>895,169</u>

	Staff costs £	Other direct costs £	Support costs (note 4) £	Year ended 31 July 2020 Total Funds £
<u>Charitable activities</u>				
Student Advice	2,710	39,811	55,320	97,841
Shops and Bars	-	-	-	-
Campaigns and Comms	-	1,950	2,537	4,487
Events and Entertainments	-	53,979	70,226	124,205
Clubs, Affiliations	238,350	3,773	314,998	557,121
Societies (restricted)	-	-	-	-
	<u>241,060</u>	<u>99,513</u>	<u>443,081</u>	<u>783,654</u>
<u>Governance</u>				
Legal and professional fees	-	13,626	-	13,626
Other governance costs	-	17,924	41,045	58,969
	<u>-</u>	<u>31,550</u>	<u>41,045</u>	<u>72,595</u>
	<u>241,060</u>	<u>131,063</u>	<u>484,126</u>	<u>856,249</u>
Unrestricted	241,060	131,063	484,126	856,249
Restricted	-	-	-	-
	<u>241,060</u>	<u>131,063</u>	<u>484,126</u>	<u>856,249</u>

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

NOTES TO THE FINANCIAL STATEMENTS

4. Support costs

	Year ended 31 July 2021			Year ended 31 July 2020		
	Staff costs £	Other direct costs £	Total Funds £	Staff costs £	direct costs £	Total Funds £
<u>Charitable activities</u>						
Student Advice	566	24,567	25,133	6,396	48,924	55,320
Retail	-	-	-	-	-	-
Campaigns and Comms	-	-	-	293	2,244	2,537
Democratic Representation	-	-	-	-	-	-
Events and Entertainments	238	10,334	10,572	8,119	62,107	70,226
Clubs, Affiliations	8,224	357,158	365,382	36,418	278,580	314,998
Societies (restricted)	-	-	-	-	-	-
	<u>9,028</u>	<u>392,059</u>	<u>401,087</u>	<u>51,226</u>	<u>391,855</u>	<u>443,081</u>
<u>Governance</u>						
Governance	816	35,438	36,254	4,745	36,300	41,045
	<u>9,844</u>	<u>427,497</u>	<u>437,341</u>	<u>55,971</u>	<u>428,155</u>	<u>484,126</u>

Included in other direct costs above is donated services and facilities of £270,685 (period to 31 July 2020: £268,173) which has been apportioned in line with other support costs as stated in the accounting policy. This relates to the provision by the University of fully serviced space to the Students' Union at a value to the Union estimated at £300 per square metre and the provision of services for the supply of the Chief Executive Officer.

5. Pension charges

	Year ended 31 July 2021			Year ended 31 July 2020		
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Pension charge	(17,754)	-	(17,754)	453,154	-	453,154
	<u>(17,754)</u>	<u>-</u>	<u>(17,754)</u>	<u>453,154</u>	<u>-</u>	<u>453,154</u>

Further information on the pension deficit is given in notes 12 and 16.

6. Auditors' remuneration

	Year ended 31 July 2021			Year ended 31 July 2020		
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Current year	<u>13,920</u>	<u>-</u>	<u>13,920</u>	<u>13,626</u>	<u>-</u>	<u>13,626</u>

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

NOTES TO THE FINANCIAL STATEMENTS

7. Wages and salary cost

	Year ended 31 July 2021 Total Funds £	Year ended 31 July 2020 Total Funds £
Gross wages	419,045	341,446
Employer's national insurance costs	33,333	28,187
Pension costs	17,705	11,493
Pension deficit charge	(17,754)	453,154
Termination payments	-	-
	<u>452,329</u>	<u>834,280</u>

The average number of employees during the period under review was:

	Year ended 31 July 2021	Year ended 31 July 2020
Assessed on an average headcount basis	<u>18</u>	<u>14</u>

There were no employees with emoluments (excluding employer pension costs) above £60,000 in this or the preceding year

The number of staff to whom retirement benefits are accruing under defined contribution schemes:

	Year ended 31 July 2021	Year ended 31 July 2020
Management	2	2
Student services	8	4
	<u>10</u>	<u>6</u>

8. Related party transactions

The union's sabbatical officers received employee benefits totalling £70,500 in the period under review, as authorised under the charity's governing document, for the work they undertake in furtherance of the charity's objects rather than for carrying out their responsibilities as trustees as set out below.

	Salary £	Employer's NI	Pension £	Total £
<i>Sabbatical officers to July 2021</i>				
Samtani	19,654	1,599	263	21,516
Durrani	19,654	1,599	808	22,061
Pradeep	19,654	1,599	-	21,253
<i>Sabbatical officers from July 2021</i>				
Kottikulam Aboo	1,750	140	-	1,890
Gupta	1,750	140	-	1,890
Rajendran	1,750	140	-	1,890
	<u>64,212</u>	<u>5,217</u>	<u>1,071</u>	<u>70,500</u>

No sabbatical officers were reimbursed travel and subsistence expenses during the period under review (period to 31 July 2020: £nil).

During the year 4 (2020: 0) trustees had expenses paid for by the charity totalling £1,271 (2020: £Nil) in relation to training £950 and travel and subsistence totalling £321.

In addition to the employee benefits received by the union's sabbatical officers the senior management team, which make up the remaining key management personnel, received employee benefits totalling £93,673 inclusive of salary, employer national insurance contributions and employer pension contributions.

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

NOTES TO THE FINANCIAL STATEMENTS

9. Fixed assets

	Club and societies equipment £	Computer equipment £	Fixtures & fittings £	TOTAL £
<i>Cost</i>				
At 31 July 2020	2,438	14,563	4,765	21,766
Additions	-	23,241	-	23,241
Disposals	-	-	-	-
At 31 July 2021	<u>2,438</u>	<u>37,804</u>	<u>4,765</u>	<u>45,007</u>
<i>Depreciation</i>				
Accumulated at 31 July 2020	2,438	14,563	4,765	21,766
Charge for the year	-	3,823	-	3,823
On disposals	-	-	-	-
At 31 July 2021	<u>2,438</u>	<u>18,386</u>	<u>4,765</u>	<u>25,589</u>
Net book value at 31 July 2021	<u>-</u>	<u>19,418</u>	<u>-</u>	<u>19,418</u>
Net book value at 31 July 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

10. Debtors

	31 July 2021 Total Funds £	31 July 2020 Total Funds £
Trade debtors	-	3,663
Owed from University of East London	-	39,326
Prepayments and accrued income	70,290	2,482
Other debtors	2,932	-
	<u>73,222</u>	<u>45,471</u>

11. Creditors

	31 July 2021 Total Funds £	31 July 2020 Total Funds £
Trade creditors	1,624	5,147
Accruals	18,493	17,088
Other creditors	-	189
	<u>20,117</u>	<u>22,424</u>

12. Provisions for liabilities - Pension liability

	31 July 2021 Total Funds £	31 July 2020 Total Funds £
Balance brought forward	1,444,656	1,056,041
Scheduled payments made	(67,764)	(64,539)
Addition for extended period, change in rate and unwinding of discount	(17,754)	453,154
Balance carried forward	<u>1,359,138</u>	<u>1,444,656</u>

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

NOTES TO THE FINANCIAL STATEMENTS

13. Analysis of net movement in funds

	Total funds brought forward £	Total incoming resources £	Total resources expended £	Pension charges £	Transfers between funds £	Total funds carried forward £
<i>Restricted funds</i>						
Societies funds	5,921	7,601	-	-	-	13,522
	<u>5,921</u>	<u>7,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,522</u>
<i>Unrestricted funds</i>						
Pension reserve	(1,444,656)	-	-	17,754	67,764	(1,359,138)
Capital reserve	-	-	-	-	19,418	19,418
Total designated funds	<u>(1,444,656)</u>	<u>-</u>	<u>-</u>	<u>17,754</u>	<u>87,182</u>	<u>(1,339,720)</u>
General fund	403,289	1,077,362	(895,169)	-	(87,182)	498,300
Total unrestricted funds	<u>(1,041,367)</u>	<u>1,077,362</u>	<u>(895,169)</u>	<u>17,754</u>	<u>-</u>	<u>(841,420)</u>
Total funds	<u>(1,035,446)</u>	<u>1,084,963</u>	<u>(895,169)</u>	<u>17,754</u>	<u>-</u>	<u>(827,898)</u>

Societies' restricted funds represent monies raised for use in furtherance of the Societies' particular activities.

The pension reserve designated fund represents the net present value of future cash flows from an obligation to fund a deficit.

The capital reserve designated fund represents funds used for the acquisition of tangible fixed assets. Depreciation on those assets is charged against the designated capital reserve fund.

14. Analysis of net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31 July 2021 Total Funds £
Fixed assets	-	19,418	-	19,418
Net current assets	498,300	-	13,522	511,822
Provisions for liabilities	-	(1,359,138)	-	(1,359,138)
	<u>498,300</u>	<u>(1,339,720)</u>	<u>13,522</u>	<u>(827,898)</u>

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31 July 2020 Total Funds £
Net current assets	403,289	-	5,921	409,210
Provisions for liabilities	-	(1,444,656)	-	(1,444,656)
	<u>403,289</u>	<u>(1,444,656)</u>	<u>5,921</u>	<u>(1,035,446)</u>

15. Analysis of changes in net debt

Cash & Cash equivalents:

	31 July 2020	Cashflows	31 July 2021
Cash	235	-	235
Cash equivalents	385,928	72,554	458,482
	<u>386,163</u>	<u>72,554</u>	<u>458,717</u>

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

NOTES TO THE FINANCIAL STATEMENTS

16. Pensions

The Union is a Participating Employer in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the United Kingdom. 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 Triannual Valuation of the Scheme was carried out as at 30 June 2019 and showed that the market value of the Scheme's assets was £119,100,000 (2016: £101,131,000) excluding AVC's and insured pensioners with these assets representing 46% (2016: 46%) of the value of benefits that have accrued to members. The deficit on an ongoing funding basis amounted to £140,900,000, (2016: £119,700,000).

The assumptions used in the valuation are as follows:

Pre- retirement discount rate	4.3% pa
Post retirement discount rate	2.3%pa
RPI	3.2% pa
CPI	2.2% pa
Pension increases in payment	
Post 1997 (RPI min 3% max 5%)	3.6% pa
Post 2000 (RPI max 5%)	3.1% pa
Mortality projections	CMI 2015 projections with a long term rate of improvement of 1.5% pa

The 2019 Valuation funding shortfall recovery plan requires a monthly contribution requirement by each Participating Employer up to 30 June 2036 increasing by 5% each year with a one off increase of 17.7% in October 2021. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates apply with effect from 1 October 2020 and will be formally reviewed following completion of the next Valuation due with an effective date of 30 June 2022. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. In addition to the above contributions, the Union also pays its share of the Scheme's levy to the Pension Protection Fund.

The total contributions paid into the Scheme by University of East London Students' Union in respect of eligible employees for the period ended 31 July 2021 amounted to £67,764 (period ended 31 July 2020: £64,539).

At the balance sheet date the charity had commitments to pay deficit funding contributions of £5,714 per month. This monthly payment is scheduled to increase by 5% per annum at October each year until 31 August 2035, with the exception of the October 2021 increase which is set at 17.7%.

Defined Contributions Pension Scheme

Since 1 October 2011, all participating employees have been in a new defined contribution pension scheme with Scottish Equitable. Contributions are at the rate of 7.7% for the employer and the % for the employee differs per member. The Union's cost of contribution in the period amounted to £17,705 (2020: £11,493).

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NOTES TO THE FINANCIAL STATEMENTS

17. Comparative figures - Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Year ended 31 July 2020 Total Funds £
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	1,072,997	-	1,072,997
Other trading activities	-	-	-
Charitable activities	38,650	3,523	42,173
Total	1,111,647	3,523	1,115,170
EXPENDITURE ON:			
Charitable activities	856,249	-	856,249
Total	856,249	-	856,249
Net Income	255,398	3,523	258,921
Transfers between funds	-	-	-
Pension charges	(453,154)	-	(453,154)
Net movement in funds	(197,756)	3,523	(194,233)
RECONCILIATION OF FUNDS			
Total funds brought forward	(843,611)	2,398	(841,213)
Total funds carried forward	(1,041,367)	5,921	(1,035,446)