

REGISTERED COMPANY NUMBER: 084576499 (England and Wales)
REGISTERED CHARITY NUMBER: 1153293

DRAFT
Report of the Trustees and
Financial Statements for the Year Ended 30 June 2017
for
London Metropolitan University Students' Union

Knox Cropper
8/9 Well Court
London
EC4M 9DN

London Metropolitan University Students' Union
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for the Year Ended 30 June 2017

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**London Metropolitan University Students' Union
Reference and Administrative Details
for the Year Ended 30 June 2017**

TRUSTEES	J Dickinson R Hull B Ntummy N Miller G Olugbodi F Onwumere (appointed 1.7.16) T Toki (appointed 1.7.16) Gerogia robinson (appointed 1.7.16)
REGISTERED OFFICE	166-220 Holloway Road London N7 8DB
REGISTERED COMPANY NUMBER	084576499 (England and Wales)
REGISTERED CHARITY NUMBER	1153293
AUDITORS	Knox Cropper 8/9 Well Court London EC4M 9DN
BANKERS	Barclays Bank PLC 1 Churchill Place London E14 5HP

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charitable object of London Metropolitan University Students' Union is the advancement of education of students at the University for the public benefit by,

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

Activities and achievements

2016 - 2017 was the final year of the union's current strategic plan. There has been a focus on bringing the plan to a conclusion and planning for the next strategic cycle. During the period of the plan the SU has been pivotal in the creation of a London Met community and become part of every student's journey. Our growing role in student life and student centred, professional approach has and will continue to reap dividends. While there will be times when the Union and University's views differ, we know our role as the student voice and critical friend is understood, as is our shared desire to deliver a sustainable and student centred, diverse, transformational University.

The Trustees recognise this a time a time for change within the Union and wider University and the University One Campus, One Community project provides an opportunity to look to the future and build a new Union and University.

Student activities and development (Activity)

We took over responsibilities for team sport in September 2015 and have been successfully in recruiting 252 active members and developing a program of activity with 18 sport teams, seeing an increase of 5 this year. We saw an increase in students showing an interest in sport from 540 to 785. This increase in interest means we will need to identify and support new opportunities and maximise engagement. We were LUSL Football winners and LUSL Badminton runners up.

A range of socials and cultural events were conducted by both the Union and its societies. We saw a slight increase in the number of societies to 41 from 36 in the previous year.

We have introduced an online membership system that both allowed member to join online and allowed us to develop a fully functional online CRM system. Overtime we will develop this to improve communication and give student leaders an opportunity to engage with their membership in new ways.

The NSS survey saw some major changes with a new Q26 (The students' union (association or guild) effectively represents students' academic interests) this focus on only one aspect of activity resulted in a lot of movement in the league table from the old question 23. Our position moved marginally with us sitting at 92 in the HE table and in the 3rd quartile as in previous years. Relative to funding and size were in good position to develop and move up. Notably we were ahead off institutions such as The University of Nottingham, The University of Hull, Royal Holloway, University of London, Goldsmiths' College, Oxford Brookes University

We saw further growth in our media opportunities for students with new staff support and equipment for the radio station and magazine we saw a growth in output both in volume and quality and increased opportunities for volunteers.

We undertook our Investors in volunteering accreditation to in invigorate our volunteer support and activity we were extremely pleased and proud to be awarded with Investors in volunteer Status in January following audit.

Students' Union involvement and activity is seen as a key part of recruitment, retention and employability and we have continued to work with the University to recognise and accredit these activities though initiatives such as the Higher Education Achievement Record.

There was a continued increase in community activity with work with local charities notably a food drive for the Islington food bank and fundraising activity by ISOC and other societies for local charities.

The year culminated with the annual Student Union and Teaching awards which rewarded student volunteers and excellence in teaching.

Student representation and campaigns (Voice)

Changes in the university structure from a faculty to school model resulted in trustees making changes to the officer structure agreeing to proceed with the following officer roles:

Sabbatical (Hub) Officer - CASS

Sabbatical (Hub) Officer - GSBL

Sabbatical (Hub) Officer - Computing and Digital Media & Human Sciences

Sabbatical (Hub) Officer - Social Sciences & Social Professions

Student reps or StARS remain fundamental to the student voice and to improving the quality and experience of students at London Met. This year we saw the support and attendance rise for faculty forums across the University with growing support from both academic and students these are proving a key channel for student voice and change in the university.

The Union ran a number of change and awareness campaigns on national student issues, health, diversity and awareness including our annual Black History Month activity seeing both a growth in activity and participation. We also held out first disability forums and saw a growth in female representation at key levels.

Student Council was central to Union policy, meeting five times in the year and discussing a wide range of student centred topics.

Student advice

The Union provide a service for supporting students with academic issues such as mitigating circumstances, Appeals, Terminations etc and dealt with over 650 cases in the period. In addition, the Union ran a number of academic awareness campaigns and worked with the University on the development of academic procedure

Public benefit

The trustees have considered the Charity Commission's guidance on public benefit in developing the activities and services of the charity to meet its objectives.

The Union received a visit from the Charity Commission as part of its routine outreach work in early 2015. The Commission carried out a short audit on Union activity and procedure and while identifying a few areas for the Union to develop found no issue with its procedures or practice that required further investigation.

FINANCIAL REVIEW

Reserves policy

The Union has established a reserves policy which reflects the nature of its relationship with the University. It is considered best practice for charities to establish a level of reserves sufficient to enable core services to members to be delivered in the event of a disruption to its funding or operation. At the year end the free reserves of the Union stood at 19,243

The Union maintains reserves in accordance with the Charity Commission's guidance which represent the 'free' reserves available to the Union's Trustees to be unrestrictively spent on the purposes of the Union.

They do not include any endowments, restricted or designated funds, nor do they include funds that could only be realised by disposing of fixed assets or stock in trade (or working capital).

In the Trustees' view the Union should maintain 'free' reserves that are appropriate to the Union's size, activity and structure

- At present the Union has no commitments in relation to rent, loans or hire purchase agreements
- The Union has no assets which require maintenance or replacement
- The Union holds adequate insurances for its activity
- Permanent staff are jointly contracted by both the Union and university
- The Union does not run any sizable trading activity or subsidiary companies
- The majority of Union income is from university grant funding
- Grants are paid on a monthly basis and these are carefully phased to ensure a healthy cash flow

Given the nature of activity and the contraction of staff, it is the view of Trustees that the Union only hold between £5,000 and £10,000 in reserve to allow for small variations in activity and income as to set and build a larger reserve would be detrimental to activity. Should amounts be in excess of £10,000 then the Trustees, in consultation with stakeholders, will draw up a plan to spend the additional funds.

FUTURE PLANS

The Trustees have been discussing the development of the partnership agreement to clarify the union relationship with the university, future funding and links. This document is fundamental to the development of the union and its long term planning. Initial discussions have been positive and we would hope to have a finalised agreement by early 2018. This will allow the Union to move forward in its strategic review work and we would hope to have completed structural and strategic reviews by Easter 2018

The year will also see the union move to its new home in Harglenis

Central to Union development are

- Relationship
- Maximising and Understanding our impact
- Student voice

RELATIONSHIP

Trustees are of the belief that as a separate legal entity the drafting and approval of a partnership agreement will help manage the relationship for both the Union and university during a period of change and development. Going forward the Union needs to be increasingly recognised as a distinct and separate from the university while still maintaining strong links. The agreement will clarify the relationship with University services, funding and budget obligations of University and Union.

Maximising and Understanding our impact

The union has an impact on students' lives. This is key to our mission and vision. We will increase the number of students involved and ensure that involvement is life changing and contributes to retention. We will:

- Be clear and evidential in our impact in Retention / Progression / Achievement.
- Measure our impact and performance effectively and consistently. Define what we measure and why
- Define what are our core services and activity are and ensure there correctly prioritised by stakeholders
- Ensure elections are truly representative and appropriately supported. Address the security concern with online voting
- Widen engagement and expand resource for Sport and Societies. Develop our role to oversee and manage all activity so avoiding duplication and conflict
- Continue to develop and recognise internal volunteering opportunities. Expand our interest in wider community volunteering
- Review what Social activities we run and what is our role in the commercial activities of the University

Student Voice

We are the voice of students and this is a central part of all Union activity. Therefore we need to ensure we are recognised as leading on this across the University and wider community. To do this we will:

- Conclude the review of academic representation ensuring they are more effective
- Develop and clarify our role in activity (SLMF panels, boards, student panels)
- Develop our advocacy and support functions
- Be clear about the quality and voice questions in and around TEF. Ensure we have a role to play in the quality agenda
- Campaigns and welfare activity will play a bigger role in Union activity. We will develop a clear, effective and appropriately resourced activity with measured impact
- Develop an effective and clear presence on campus
- Ensure messages need to be clear, consistent and concise
- Ensure stakeholders know what we have done, why we've done it and the impact

Accountability

The Union and its representatives need to be accountable to stakeholders and we need to be clear and accountable on our actions and decisions. Therefore we will

- Develop a new accountability model that supports and challenges officers
- Understand our relationship with stakeholders and review aspects of our democratic structures to engage more students
- Ensure the Union is accountable and sustainable both locally and globally
- Be clear about and operate to our values

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charitable company is controlled by its governing document, its memorandum and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. In the event of winding up the liability of each Company Law Member is limited to £1.

Recruitment and appointment of new trustees

The Board of Trustees is made up of not more than 5 sabbatical officer trustees, not more than 2 student trustees, 1 alumni trustee and not more than 3 external trustees. The sabbatical officer trustees are elected by secret ballot by the members of the Union and serve one year in office unless re-elected for second year. The student trustees are elected by a simple majority vote of the Student Council from its membership and should include 1 undergraduate and 1 postgraduate student. Student trustees serve for a 2 year term and must be a student for the duration of their term in office. Student trustees can serve for a maximum of 2 consecutive terms. The alumni and external trustees are appointment by the Appointments Committee and ratified by the trustees. They can serve for a maximum of 2 terms of 2 years each. One of the external trustees will be a Governor of the London Metropolitan University, selected by its Board of Governors.

Organisational structure

The Board of Trustees met 5 times during the year. It is responsible for the strategic direction, governance and sustainability of the charity but delegates its day to day running to the officer trustees and a **senior staff member**.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

Once elected or appointed all trustees receive training to enable them to understand their legal obligations and their other responsibilities as charity trustees. The officer trustees also receive more comprehensive training as they work full time for the organisation and complete a portfolio of duties, alongside their trustee roles.

Key management remuneration

The levels of remuneration for all staff including those of senior management are calculated on the basis of University HERA scales which map responsibilities and experience to set scales on the university pay structure. Staff are also entitled to cost of living rises and London living allowance as outlined in the university pay structure and reflecting nationally negotiated and implemented rates.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. They regularly review the major strategic, operational and reputational risks faced by the charity, this forms an agenda item for all trustees meetings. Each risk identified is assessed for its impact and likelihood, actions required to mitigate or manage it are noted and the risk is assigned to a senior staff member or trustee.

At present the major risks are identified below with notes on mitigation a full report is available on request.

Risk No	Risk title (Residual Risk)
1 Sustainability	Cuts to core grant funding related to Student numbers (12) Failure to be seen by students or the university as the voice of students resulting in breakaway protest groups and lack of confidence from the University (12) Failure to support students leading to them leaving the University & poor quality experience (6) Lack or representation of key groups (6)
2 Core Business	Failure to anticipate, identify and satisfy the needs of all the membership (9) Radical activity on campus (Prevent) (9) Negative publicity leading to a loss of reputation (9) Failure to build a relationship with the membership (6) Poor quality Governance leading to poor decision making, disengagement of membership, intervention by parent institution (6) Sport, Failure to manage activities effectively and safety (6) Loss of Sport Funding (6)
3 Systems	Inadequate provision of a safe recreational, learning, working environment (6)

At this time there is no uncertainties as to the charity's ability to continue as a going concern.

The impact of any significant pension deficit and pension arrangements are a responsibility of the University.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of London Metropolitan University Students' Union for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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 those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 auditors are 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 auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

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

.....
T Toki - Trustee

Opinion

We have audited the financial statements of London Metropolitan University Students' (the 'charitable company') for the year ended 30 June 2017 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2017 and of its 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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.

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of London Metropolitan University Students' Union

Matters on which we are required to report by exception

In the 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 Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the 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.

Our 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 a Report of the Independent Auditors 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. This description forms part of our Report of the Independent Auditors.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Billinghamurst (Senior Statutory Auditor)
for and on behalf of Knox Cropper
8/9 Well Court
London
EC4M 9DN

Date: December 2017

London Metropolitan University Students' Union
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 30 June 2017

	Notes	2017 Unrestricted fund £	2016 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	530,488	550,000
Other trading activities	3	<u>25,712</u>	<u>30,437</u>
Total		556,200	580,437
EXPENDITURE ON			
Charitable activities			
Student activities and development	4	235,551	329,621
Student representation and campaigns		171,584	137,835
Student advice		<u>144,048</u>	<u>107,550</u>
Total		551,183	575,006
NET INCOME		5,017	5,431
RECONCILIATION OF FUNDS			
Total funds brought forward		14,226	8,795
TOTAL FUNDS CARRIED FORWARD		<u>19,243</u>	<u>14,226</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

London Metropolitan University Students' Union (Registered number: 084576499)
Statement of Financial Position
At 30 June 2017

	Notes	£	2017 Unrestricted fund £	Total 2016 funds £
CURRENT ASSETS				
Debtors	11		47,915	14,531
Cash at bank and in hand			<u>94,377</u>	<u>66,557</u>
			142,292	81,088
CREDITORS				
Amounts falling due within one year	12		(123,049)	(66,862)
			<u>19,243</u>	<u>14,226</u>
NET CURRENT ASSETS				
			19,243	14,226
TOTAL ASSETS LESS CURRENT LIABILITIES				
			<u>19,243</u>	<u>14,226</u>
NET ASSETS				
			<u>19,243</u>	<u>14,226</u>
FUNDS				
Unrestricted funds	13		<u>19,243</u>	<u>14,226</u>
TOTAL FUNDS				
			<u>19,243</u>	<u>14,226</u>

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

.....
Trustee

The notes form part of these financial statements

London Metropolitan University Students'
Union

Statement of Cash Flows
for the Year Ended 30 June 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>27,820</u>	<u>(9,073)</u>
Net cash provided by (used in) operating activities		<u>27,820</u>	<u>(9,073)</u>
		_____	_____
Change in cash and cash equivalents in the reporting period		27,820	(9,073)
Cash and cash equivalents at the beginning of the reporting period		<u>66,557</u>	<u>39</u>
Cash and cash equivalents at the end of the reporting period		<u>94,377</u>	<u>(9,034)</u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 30 June 2017

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2017	2016
	£	£
Net income for the reporting period (as per the statement of financial activities)	5,017	5,431
Adjustments for:		
Increase in debtors	(33,384)	(2,352)
Increase/(decrease) in creditors	<u>56,187</u>	<u>(12,152)</u>
Net cash provided by (used in) operating activities	<u>27,820</u>	<u>(9,073)</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The Union participates in two pension schemes, the London Pensions Fund Authority (LPFA) and the National Employment Savings Trust (NEST). NEST is a defined contribution scheme open to the Union's sabbatical officers and contributions payable to the scheme are charged to the Statement of Financial Activities in the period to which they relate.

LPFA is a statutory, contributory, defined benefit scheme and is contracted out of the State Earnings-Related Pension Scheme. The scheme is valued every three years and in the intervening years the actuaries review the progress of the scheme. Administration staff of the Union have joint contracts of employment with London Metropolitan University and are entitled to join the LPFA. Although the University is able to identify its share of the underlying assets and liabilities of the LPFA, the Union is not. Therefore, using the exemption under FRS 102, contributions to the scheme are accounted for as if they were defined contribution schemes and employer contributions payable to the scheme are charged as expenditure in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2017

2. DONATIONS AND LEGACIES

	2017 £	2016 £
LMU block grant	503,000	550,000
Other LMU grants	<u>27,488</u>	<u>-</u>
	<u>530,488</u>	<u>550,000</u>

3. OTHER TRADING ACTIVITIES

	2017 £	2016 £
NUS Extra cards commission	11,608	14,230
Sports Activities	6,680	-
Student welcome and catering	<u>7,424</u>	<u>16,207</u>
	<u>25,712</u>	<u>30,437</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 5) £	Support costs (See note 6) £	Totals £
Student activities and development	180,031	55,520	235,551
Student representation and campaigns	142,752	28,832	171,584
Student advice	<u>121,624</u>	<u>22,424</u>	<u>144,048</u>
	<u>444,407</u>	<u>106,776</u>	<u>551,183</u>

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2017 £	2016 £
Trustees' remuneration etc	78,333	77,926
Staff costs	286,125	313,058
Society events	11,513	12,788
Affiliation fees	11,943	6,489
Conferences	1,620	6,124
Marketing and advertising	11,557	15,819
Awards	3,056	-
Catering	566	1,000
Elections	13,053	11,223
Training & development	4,143	3,950
Campaign welfare	-	1,737
Services	-	622
Sports activities	14,699	-
Travel and subsistence	<u>7,799</u>	<u>-</u>
	<u>444,407</u>	<u>450,736</u>

6. SUPPORT COSTS

	Information technology £	Human resources £	Other £	Governance costs £	Totals £
Student activities and development	6,607	27,915	8,923	12,075	55,520
Student representation and campaigns	3,431	14,496	4,634	6,271	28,832
Student advice	<u>2,668</u>	<u>11,275</u>	<u>3,604</u>	<u>4,877</u>	<u>22,424</u>
	<u>12,706</u>	<u>53,686</u>	<u>17,161</u>	<u>23,223</u>	<u>106,776</u>

Activity	Basis of allocation
Information technology	Direct staff costs
Human resources	Direct staff costs
Other	Direct staff costs
Governance costs	Direct staff costs

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2017 £	2016 £
Auditors' remuneration	<u>5,040</u>	<u>4,920</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

	2017 £	2016 £
Trustees' salaries	89,361	89,530
Trustees' social security	7,847	7,877
Trustees' pension contributions to money purchase schemes	<u>708</u>	<u>-</u>
	<u>97,916</u>	<u>97,407</u>

Trustees remuneration relates to the Sabbatical officers, who are also trustees of the Union.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2016 or year ended 30 June 2017.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2017

9. STAFF COSTS

	2017	2016
	£	£
Wages and salaries	380,859	416,714
Social security costs	31,356	33,100
Other pension costs	23,082	25,436
	<u>435,297</u>	<u>475,250</u>

The key management personnel of the Union are those persons having authority and responsibility for planning, directing and controlling the activities of the Union, directly or indirectly, including any Trustee of the Charity. In addition to the Trustees, Key management personnel includes the Chief Executive. Aggregate remuneration and benefits paid to key management personnel during the year amounted to £156,814 (2016 - £154,199).

The average monthly number of employees during the year was as follows:

	2017	2016
Sabbatical officers	4	4
Administration staff	13	13
	<u>17</u>	<u>17</u>

No employees received emoluments in excess of £60,000.

10. PENSION ARRANGEMENTS

The Union contributes to two pension schemes, the London Pensions Fund Authority (LPFA) for its administration staff and National Employment Savings Trust (NEST) for its sabbatical officers. NEST is a defined contribution pension scheme and pension contributions in the current year amounted to £nil.

The LPFA Fund (the Fund) provides members with benefits related to pay and service at rates which are defined under the Local Government Pension Scheme Regulations 1997. To finance these benefits assets are accumulated in the Fund and held separately from the assets of the Union.

The Union pays contributions to the Fund at rates determined by the Fund's actuaries, based on regular actuarial reviews of the financial position of the Fund. From 1 August 2013, the employer's contribution rate payable by the Union was 18.6% of pensionable salaries.

The actuarial valuation as at 31 March 2013 informed a review by the LPFA of the contributions to be paid to the Fund by employers from 1 April 2014. It was agreed that, with effect from 1 April 2014, the contribution to be paid by the Union to the Fund for current service was 16.0% of pensionable payroll. The Union's contribution to the Fund for the current period was £19,685 (2015: £26,926).

The University has also agreed to pay lump sum contributions for past service deficits of £937,000 from 1 April 2014 to March 2015, £1,080k from April 2015 to March 2016 and £1,132k from April 2016 to March 2017. This will have no impact on the Union's liability.

The Fund has variable employee contribution rates dependent on the employee's pensionable salary. These rates range from 5.5% to 12.5%. There is also contribution flexibility where members can opt to pay 50% contributions for 50% of the pension benefit.

The pension cost, which includes the liability for pension increases, has been determined in accordance with the advice from the Fund actuary, Barnett Waddingham, and is based on an actuarial valuation as at 31 March 2013 using the projected unit method. The rates certified at the actuarial valuation as at 31 March 2013 applied from 1 April 2014. The main financial assumptions in the 2013 actuarial valuation were:

Rate of investment return 8.8% per annum
Rate of salary increases 2.3% per annum
Rate of pension increases 3.5% per annum

Because the administrative staff of the Union are employed by joint contracts of employment with London Metropolitan University it is not possible to separately identify the assets and benefits attributable to the Union. However, the actuarial valuation as at 31 March 2013 showed that the market value of the Fund's assets attributable to the University was estimated at approximately £166m and that the actuarial value of those assets represented 70% of the value of the benefits that have accrued to the University's pensioners, deferred pensioners and current members based upon past service but allowing for assumed pay increases and pension increases.

The actuarial valuation dated 31 March 2013 was published on 27 March 2014. The next actuarial valuation is due as at 31 March 2016, publication is expected early in 2017.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	36,226	1,200
Grants receivable	11,689	13,331
	<u>47,915</u>	<u>14,531</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2017

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	115,564	53,062
Accruals and deferred income	7,485	469
Accrued expenses	-	13,331
	<u>123,049</u>	<u>66,862</u>

13. MOVEMENT IN FUNDS

	At 1.7.16	Net movement in funds	At 30.6.17
	£	£	£
Unrestricted funds			
General fund	14,226	5,017	19,243
	<u>14,226</u>	<u>5,017</u>	<u>19,243</u>
TOTAL FUNDS	<u>14,226</u>	<u>5,017</u>	<u>19,243</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	556,200	(551,183)	5,017
	<u>556,200</u>	<u>(551,183)</u>	<u>5,017</u>
TOTAL FUNDS	<u>556,200</u>	<u>(551,183)</u>	<u>5,017</u>

14. RELATED PARTY DISCLOSURES

Trustee Officers are remunerated for their executive responsibilities in accordance with the Union constitution. Four trustees of the Company received payment for their services as Sabbatical Officers of the Union totalling as set out in note 8.

There were no other related party transactions for the year ended 31 March 2017.

15. GOING CONCERN

The Union is dependent on the ongoing financial support of the London Metropolitan University. The trustees are of the opinion that this support will be forthcoming from the University for at least a further 12 months from the date of approval of these financial statements.

**London Metropolitan University Students'
Union**

**Detailed Statement of Financial Activities
for the Year Ended 30 June 2017**

	2017 £	2016 £
INCOME AND ENDOWMENTS		
Donations and legacies		
LMU block grant	503,000	550,000
Other LMU grants	<u>27,488</u>	<u>-</u>
	530,488	550,000
Other trading activities		
NUS Extra cards commission	11,608	14,230
Sports Activities	6,680	-
Student welcome and catering	<u>7,424</u>	<u>16,207</u>
	<u>25,712</u>	<u>30,437</u>
Total incoming resources	556,200	580,437
EXPENDITURE		
Charitable activities		
Trustees' salaries	71,489	71,624
Trustees' social security	6,277	6,302
Trustees' pension contributions	567	-
Wages	247,112	268,795
Social security	20,876	22,395
Pensions	18,137	21,868
Society events	11,513	12,788
Affiliation fees	11,943	6,489
Conferences	1,620	6,124
Marketing and advertising	11,557	15,819
Awards	3,056	-
Catering	566	1,000
Elections	13,053	11,223
Training & development	4,143	3,950
Campaign welfare	-	1,737
Services	-	622
Sports activities	14,699	-
Travel and subsistence	<u>7,799</u>	<u>-</u>
	444,407	450,736
Support costs		
Information technology		
Software costs	2,004	500
Website design	10,702	500
Carried forward	12,706	1,000

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**London Metropolitan University Students'
Union**

**Detailed Statement of Financial Activities
for the Year Ended 30 June 2017**

	2017 £	2016 £
Information technology		
Brought forward	12,706	1,000
Computer hardware	-	3,188
	<u>12,706</u>	<u>4,188</u>
Human resources		
Trustees' salaries	8,936	8,953
Trustees' social security	785	788
Trustees' pension contributions	71	-
Wages and salaries	38,639	52,815
Social security	1,955	2,278
Pensions	3,300	2,676
Travel and subsistence	-	41
Agency staff	-	295
Casual staff	-	255
Payroll services	-	300
	<u>53,686</u>	<u>68,401</u>
Other		
Insurance	3,470	2,429
Set up costs	-	4,420
Bank charges	648	664
General office expenses	13,043	21,192
	<u>17,161</u>	<u>28,705</u>
Governance costs		
Trustees' salaries	8,936	8,953
Trustees' social security	785	787
Trustees' pension contributions	70	-
Wages	5,747	5,574
Social security	678	550
Pensions	937	892
Auditors' remuneration	5,040	4,920
Accountancy and legal fees	1,030	1,000
Legal fees	-	300
	<u>23,223</u>	<u>22,976</u>
Total resources expended	<u>551,183</u>	<u>575,006</u>
Net income	<u><u>5,017</u></u>	<u><u>5,431</u></u>

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