

**LONDON METROPOLITAN
UNIVERSITY STUDENTS' UNION**
(Company limited by guarantee no. 08576499
registered charity no. 1153293)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2018



REPORT AND FINANCIAL STATEMENTS
For the year ended 30 June 2018

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LONDON METROPOLITAN UNIVERSITY STUDENTS' UNION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS For the year ended 30 June 2018

Board of Trustees	M Boansi	(resigned 28 September 2018)
	J Hoarau	(appointed 1 July 2018)
	N Iddirisu	(appointed 1 July 2018)
	R K Guy	(appointed 14 September 2017)
	N Miller	(resigned 1 February 2018)
	M Muse	(appointed 1 July 2018)
	C Ochoga	(appointed 29 November 2017 and 1 September 2018)
	G Olugbodi	(appointed 1 July 2016)
	F Onwumere	(resigned 30 June 2018)
	P Ptashko	(appointed 14 September 2017)
	G Robinson	(resigned 30 June 2018)
	T Toki	(resigned 30 June 2018)

Principal Officers M Crowhurst (General Manager)

Company reg. no. 08576499 (England and Wales)

Charity reg. no. 1153293

Registered office 166-220 Holloway Road
London
N7 8DB

Accountants Knox Cropper
65 Leadenhall Street
London
EC3A 2AD

Bankers Barclays Bank PLC
1 Churchill Place
London
E14 5HP

BOARD OF TRUSTEES' REPORT
For the year ended 30 June 2018

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 2018. 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

The three principal activities and the Union's achievements in meeting those objects are detailed below:

Student activities and development (Activity)

We moved to new premises in November 2017 and this move has been highly successful, creating growth in participation and profile.

We continue to develop our sport and cultural activity with over 60 active societies and sports clubs, winning two leagues and coming second in three. We had individual British College and Sports (BUCS) gold medallists and our dance team and cheerleaders reached national finals.

Overall satisfaction in the Union and its service remained high in the NSS. We moved in to the top 50 nationally and our own satisfaction survey had a result of 94% who were fully or partly satisfied. This was supported by 84% of students saying the Union had a positive effect on their student experience and 80% of our volunteers saying their experience was excellent or good.

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

We continue to build on our outreach work across all faculties and sites, running successful engagement events across the year. The year culminated with the annual Students' Union and Teaching awards, which rewarded student volunteers and excellence in teaching. This saw increased participation and activity compared to previous years.

There was an increase in community activity with work with local charities, notably a food drive for the Islington food bank.

BOARD OF TRUSTEES' REPORT
For the year ended 30 June 2018

Student representation and campaigns (Voice)

Changes to our election system with a move to online voting coupled with higher participation levels and profile saw a rise in election turnout from 11% to 16%.

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 for and attendance at faculty forums rise across the University. We had over 400 Student Reps with over 200 attending training and engagement events.

The Union ran a number of change and awareness campaigns on national student issues, health, campus safety, diversity and awareness.

Diversity forums continued to grow, especially around the Women's campaign. This saw high profile speakers and activity culminating with International Women's Day and the completion of our quilting project with over 100 students and staff contributing sections to our quilt, which has been displayed widely in the London area. Black History Month was again very successful, with a series of events ranging from debate to social activity.

Student Council was central to Union policy, meeting five times in the year and discussing a wide range of student-centred topics including funding, the post-Brexit effect on students, teaching quality and access issues.

The Union undertook several research projects on the student experience, developing a student voice group with University partners to expand student representation at all levels.

Student advice

The Union provides a service for supporting students with academic issues such as mitigating circumstances and appeals. The Union ran a number of academic awareness campaigns and worked with the University on the development of academic procedures.

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.

BOARD OF TRUSTEES' REPORT
For the year ended 30 June 2018

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 £40,261.

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 unrestrictedly 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 the activity and the contraction of staff, it is the view of Trustees that the Union only hold between £20,000 and £40,000 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 £50,000 then the Trustees, in consultation with stakeholders, will draw up a plan to spend the additional funds.

During the year of operation, the Union received a block grant of £554,978 from the London Metropolitan University. The sale of NUS Extra cards and some sundry income generated additional income of £19,300. This income was expended on the Union's charitable activities, primarily as staff costs. As a result of its activities, Net income for the year amounted to £21,018 that increased the unrestricted general funds to £40,261.

FUTURE PLANS

The Union is currently reviewing its strategic priority and governance, with the aim of launching a new vision and structure for May 2019. This will involve a number of challenges and will inform the basis for development over the next three to five years.

Central to the success of this plan will be developing the relationship with the University and reflecting its plans under the leadership of a new Vice Chancellor while emphasising the Union's status and separation from the University.

BOARD OF TRUSTEES' REPORT **For the year ended 30 June 2018**

The primary function of any Students' Union is to represent its members effectively to the University and to the wider community. In doing this, it should affect positive change and therefore impact on its members' lives and communities. Therefore, Trustees will be looking at

- Overall Governance and leadership
- Officer roles, ensuring they are representative of the student body and its communities; and are fully and effectively accountable for their performance
- Making the StARs system the basis for an effective voice for students, on University and Union activity and development
- Creating real, positive change for students, with relevant and effective campaigning, lobbying and research
- Developing its critical friend role with the University, making sure regulations, policy and procedures, academic or otherwise, reflect student needs
- Understanding and actively engaging with the student community, demonstrating our role and making the Union a place where students feel they belong

Activity covers all the opportunities available in the Students' Union, from student staff to student volunteering in media and campaigns. These activities provide a chance for students to try new things and gain skills for employability and life. To do this:

- The Students' Union will be seen as a centre for opportunities to participate in a diverse range of societies, media, leisure, sport and other activities, and that the range and quality of these opportunities will be improved
- We will develop opportunities for students to learn skills and to recognise these, thereby improving student employability and life skills
- Further develop our diversity and campaigning work with a focus on impact and change

In order to achieve our objectives and effectively support student communities and activities, the foundations of the Union must be sustainable and secure. Trustees, therefore, remain committed to success in the Quality Students' Union scheme and renewing its other accreditations.

The Union will continue to develop a sustainable and suitable resource and support structure, and further develop opportunities that diversify its funding.

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 the 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 two-year term and must be a student for the duration of their term in office. Student trustees can serve for a maximum of two consecutive terms. The alumni and external trustees are appointed 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.

BOARD OF TRUSTEES' REPORT
For the year ended 30 June 2018

Organisational structure

The Board of Trustees met 6 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 management team.

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 the cost of living rises and London living allowance as outlined in the university pay structure and reflecting nationally negotiated and implemented rates.

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.

Sustainability: Cuts to core grant funding related to Student numbers

Mitigation

- Active participation in recruitment groups and activity that exist within the University
- Union provides an active resource for potential students
- Ensures effective funding through annual budget conversation

Sustainability: 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

Mitigation

- Communicate clearly to membership all actions taken
- Ongoing University Liaison group
- Feedback on regular University/ Union Meetings

Reform and review of governance structure in line with NUS and Charity Commission codes

Core Business: Failure to anticipate, identify and satisfy the needs of all the membership

Mitigation

- Faculty Officer Model
- Regular research to inform decisions

Core Business: Radical activity on campus

Mitigation

- Liaison
- Active relationship with estates and secretary's office
- Staff Training
- Monitoring of online media
- Strong links with University

BOARD OF TRUSTEES' REPORT
For the year ended 30 June 2018

Systems: Inadequate provision of a safe recreational, learning, working environment

Mitigation

- Implementation of effective procedures
- Adequate insurance for activities
- Liaison with H&S
- Risk assessments for events and activities

At this time there are 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 Board of Trustees' Report 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:

.....
M Muse - Trustee

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LONDON METROPOLITAN UNIVERSITY STUDENTS' UNION FOR THE YEAR ENDED 30 JUNE 2018**

Opinion

We have audited the financial statements of London Metropolitan University Students' Union (the 'charitable company') for the year ended 30 June 2018 which comprise the Statement of Financial Activities, the Balance Sheet, 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, 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 30 June 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

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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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LONDON METROPOLITAN UNIVERSITY STUDENTS' UNION FOR THE YEAR ENDED 30 JUNE 2018**

(Continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of 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 within the trustees' 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 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement in the Trustees' Report, 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.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LONDON METROPOLITAN UNIVERSITY STUDENTS' UNION FOR THE YEAR ENDED 30 JUNE 2018

(Continued)

Use of our report

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

Chartered Accountants & Statutory Auditors

65 Leadenhall Street

London

EC3A 2AD

LONDON METROPOLITAN UNIVERSITY STUDENTS' UNION

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the Income and Expenditure Account)
For the year ended 30 June 2018

	Note	Total & Unrestricted Funds 2018 £	<i>Total & Unrestricted Funds 2017 £</i>
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	2	554,978	530,488
Other trading activities	3	19,300	25,712
TOTAL		574,278	556,200
EXPENDITURE ON:			
Student activities and development		266,053	235,551
Student representation and campaigns		169,265	171,584
Student advice		117,942	144,048
TOTAL EXPENDITURE	4	553,260	551,183
Net income		21,018	5,017
NET MOVEMENT IN FUNDS		21,018	5,017
RECONCILIATION OF FUNDS:			
TOTAL FUNDS AT 1 JULY 2017		19,243	14,226
TOTAL FUNDS AT 30 JUNE 2018		£ 40,261	£ 19,243

LONDON METROPOLITAN UNIVERSITY STUDENTS' UNION
 Company limited by guarantee (registered company no. 08576499)

BALANCE SHEET
As at 30 June 2018

	Notes	2018 £	2017 £
CURRENT ASSETS			
Debtors	10	59,583	47,915
Cash at bank and in hand		140,018	94,377
		<u>199,601</u>	<u>142,292</u>
CREDITORS: amounts falling due within one year	11	(159,340)	(123,049)
NET CURRENT ASSETS		<u>40,261</u>	<u>19,243</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		40,261	19,243
TOTAL NET ASSETS		<u>£ 40,261</u>	<u>£ 19,243</u>
FUNDS			
Unrestricted funds:			
General fund	12	40,261	19,243
		<u>40,261</u>	<u>19,243</u>
		<u>£ 40,261</u>	<u>£ 19,243</u>

The financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved, and authorised for issue, by the Board of Trustees on _____ and signed on their behalf by:-

 M MUSE, Trustee

The annexed notes form part of these financial statements

LONDON METROPOLITAN UNIVERSITY STUDENTS' UNION

CASH FLOW STATEMENT
For the year ended 30 June 2018

	2018	2017
	£	£
Cash flows from operating activities		
Surplus for the financial year	21,018	5,017
Adjustments for:		
Increase in debtors	(11,668)	(33,384)
Increase in creditors	36,291	56,187
	45,641	27,820
Net increase in cash and cash equivalents	45,641	27,820
Cash and cash equivalents at 1 July 2017	94,377	66,557
Cash and cash equivalents at 30 June 2018	£ 140,018	£ 94,377
Components of cash and cash equivalents		
Cash at bank and in hand	140,018	94,377

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention. They have been prepared in accordance with applicable United Kingdom accounting standards, the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2015), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) and the Companies Act 2006. The presentational currency of the financial statements is Pound Sterling (£).

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Company status

London Metropolitan University Students' Union is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

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.

Incoming resources

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.

Resources Expended

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

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.

Taxation

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

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Judgements and key sources of estimation uncertainty

Judgements and key sources of estimation uncertainty are detailed in the above accounting policies, where applicable.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

2. DONATIONS AND LEGACIES

	Total Funds 2018 £	<i>Total Funds 2017 £</i>
LMU Block Grant	554,978	503,000
Other LMU Grants	-	27,488
	£ 554,978	£ 530,488

3. INCOME FROM OTHER TRADING ACTIVITIES

	Total Funds 2018 £	<i>Total Funds 2017 £</i>
NUS Extra cards commission	9,450	11,608
Sports and membership income	8,410	6,680
Student welcome and catering	-	7,424
Other income from activities	1,440	-
	£ 19,300	£ 25,712

4. RESOURCES EXPENDED

	Staff costs £	Other direct costs £	Support costs £	Total 2018 £	Total 2017 £
Student activities and development	164,247	80,519	21,287	266,053	235,551
Student representation and campaigns	134,441	23,771	11,053	169,265	171,584
Student advice	109,342	-	8,600	117,942	144,048
	£ 408,030	£ 104,290	£ 40,940	£ 553,260	£ 551,183

Resources expended include:

	2018	<i>2017</i>
Auditors' remuneration:		
Audit fee	5,160	5,040

Details of staff costs are given in Note 7.

Details of Support costs is given in Note 6.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

5. DIRECT COSTS	2018	2017
	£	£
Society events	50,063	26,212
Affiliation fees	17,000	11,943
Conferences	4,000	1,620
Marketing and advertising	12,776	11,557
Awards	4,633	3,056
Catering	2,024	566
Elections	3,000	13,053
Training and development	2,703	4,143
Travel and subsistence	8,091	7,799
	£ 104,290	£ 79,949

6. SUPPORT COSTS	Total	Total
	2018	2017
	£	£
Website design	11,868	10,702
Software costs	2,720	2,004
Insurance	675	3,470
Bank charges	566	648
General office expenses	16,854	13,043
Accountancy and legal fees	3,097	1,030
Auditors' audit fee	5,160	5,040
	£ 40,940	£ 35,937

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

7. STAFF NUMBERS AND COSTS

	2018 £	2017 £
Wages and salaries	346,494	380,859
Social security costs	26,062	31,356
Pension costs	23,718	23,082
Cost of contracted staff	11,756	-
	£ 408,030	£ 435,297

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

	Number	Number
Sabbatical officers	4.0	4.0
Administration staff	13.0	13.0
	17.0	17.0

No employee received remuneration of more than £60,000.

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 £174,031 (2017 - £171,441).

8. TRUSTEES REMUNERATION AND BENEFITS

	2018 £	2017 £
Wages and salaries	90,477	89,362
Social security costs	6,018	7,847
Pension costs	862	708
	£ 97,357	£ 97,917

Trustees remuneration relates to the Sabbatical officers, who are also trustees of the Union. No members of the Board of Trustees received reimbursement of expenses (2017 - £NIL).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

9. 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 April 2014, the employer's contribution rate payable by the Union was 16% of pensionable salaries.

The actuarial valuation as at 31 March 2016 informed a review by the LPFA of the contributions to be paid to the Fund by employers from 1 April 2017. It was agreed that, with effect from 1 April 2017, the contribution to be paid by the Union to the Fund for current service was 17.3% of pensionable payroll. The Union's contribution to the Fund for the current period was £22,702 (2017: £22,364).

The University has also agreed to pay lump sum contributions for past service deficits of £1,780k from 1 April 2017 to March 2018. 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 2016 using the projected unit method. The rates certified at the actuarial valuation as at 31 March 2016 applied from 1 April 2017. The main financial assumptions in the 2016 actuarial valuation were:

Rate of salary increases 3.9% per annum
Rate of pension increases 2.4% 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 2016 showed that the market value of the Fund's assets attributable to the University was estimated at approximately £180m and that the actuarial value of those assets represented 91% 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 2016 was published on 24 March 2017. The next actuarial valuation is due as at 31 March 2019, publication is expected early in 2020.

LONDON METROPOLITAN UNIVERSITY STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

10. DEBTORS

	2018 £	2017 £
Due within one year		
Trade debtors	49,880	36,226
Other debtors	9,703	11,689
	<u>£ 59,583</u>	<u>£ 47,915</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	111,279	115,564
Social security and other taxes	3,081	-
Other creditors	44,980	7,485
	<u>£ 159,340</u>	<u>£ 123,049</u>

12. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers £	Carried Forward £
SUMMARY OF FUNDS					
General Funds	<u>19,243</u>	<u>574,278</u>	<u>(553,260)</u>	<u>-</u>	<u>40,261</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Total Funds
	Designated Funds £	General Funds £	£	£
Net current assets	-	40,261	-	40,261
	<u>£ Nil</u>	<u>£ 40,261</u>	<u>£ Nil</u>	<u>£ 40,261</u>

14. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2018

15. RELATED PARTIES

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 30 June 2018.