

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

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2020

Registered charity number: 1173994

Registered company number: 10820498

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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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
Insia Durrani	appointed 01 July 2020
Rev. Nicholas Leggett	appointed 15 June 2017
Naveen Pradeep	appointed 01 July 2019
Jayraj Samtani	appointed 01 July 2020
Martin Young (chair)	appointed 15 June 2017
Samia Chowdhury	appointed 01 July 2019, resigned 30 June 2020
Prince Dutt	appointed 01 July 2019, resigned 30 June 2020
Mohammed Ismail	appointed 01 July 2019, resigned 30 June 2020
Charles Prince	appointed 22 August 2017, resigned 01 May 2020

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 Priors
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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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 2019 to 31 July 2020, 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 (amended 01 July 2020), 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").

The 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. No changes to the Lay Trustees took place in the period.

After approval by the Student Members Meeting in February 2020, the Trustees amended the articles of association to reduce the maximum number of Executive Officer Trustees from five to three and to increase the maximum number of Student Trustees from one to two. Student Trustees are now appointed by the Trustees after an open competition instead of being elected in a cross-campus ballot.

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 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.

UNIVERSITY OF EAST LONDON STUDENTS' UNION

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REPORT OF THE TRUSTEES

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	Patrick Reilly
Head of Engagement and Marketing	Sharleni Inbanathan (from 27 January 2020)
Head of Finance and Administration	Sairah Akhtar (23 August 2019 to 06 July 2020)
Head of Policy and Advice	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.

UNIVERSITY OF EAST LONDON STUDENTS' UNION

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REPORT OF THE TRUSTEES

Achievements and performance 2019/20

The Union had four major projects which formed the focus. The arrival of the COVID-19 pandemic halfway through the year affected the achievement of some goals as

1. *Implement a new representation system*

Updating the Union's representation systems has been central to the trustees' approach to improving engagement of students in the Union's work. In autumn 2018, the trustees appointed an experienced external consultant to undertake an independent review, which made 23 recommendations. Some of these recommendations required significant changes to the articles of association and bye-laws before they could be implemented.

In October 2019, a referendum of the members to amend the articles achieved 1042 votes (with majority support), but it did not reach the required quorum (10% of members). This delayed progress as most of the recommendations could not be implemented without the changes to the articles. Acknowledging the support from students, the trustees referred the motion to a Student Members' meeting. In February 2020, 149 students attended and voted by a large majority to amend the articles.

Work to simplify and modernise the bye-laws continued throughout the year. The outdated and ineffective student council was disbanded. School reps and the panel of 100 were created in October 2020. The first paid school reps were elected in October 2020 and took office in November 2020. Work to implement the other aspects of the recommendations continues in 2020/21.

2. *Implement an effective course representative system*

Student officers and staff worked with the University's Quality Assurance and Enhancement team and representatives of the University's six schools to redefine the course representative system, and to align it with the University's new academic framework.

The Union remains committed to having a smaller group of course representatives who will maintain coverage of all courses and levels, but who can be better supported by and receive more targeted data from the Union's staff.

3. *Build new liberation and other interest campaign groups*

The Union started work to rebuild these student groups and two were re-established with new student leadership during the year. However, the move to online teaching in March 2020 stalled progress and all groups will need to be re-established in 2020/21.

4. *Develop an activities and events offer which recognises the hyper-diverse nature of the Union's membership*

The Union changed the focus of its events and activities programme to offer more support to student groups, such as societies and associations, to organise their own activities. The Union introduced a scheme to incentivise student groups to organise different activities, resulting in the largest number of group stalls at the welcome fair and the largest number of introductory/welcome group activities for many years. Staff supported group organisers to plan new activities focused on building their memberships and ensuring their activities were open and accessible to the entire student body.

During the welcome period in September and October, the Union worked University services and the six schools to prioritise activities where students could make friends and start to build a sense of belonging among student members, as research shows that students who engage in such activities are more likely to feel connected to the University, less likely to withdraw, and more likely to achieve a successful degree outcome.

When activity moved online due to COVID-19, the Union supported groups to host online activities, although as it was approaching the summer assessment period, engagement was limited.

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REPORT OF THE TRUSTEES

5. *Become a leader/flagship in delivery of electronic meetings, etc.*

The Union's goal was to organise its activities in a way which meant students could participate around their other commitments as they may not be on campus every day. The Union trialled small group meetings using Microsoft Teams and hosted a members' meeting across two sites which had more than 150 people present, with students from both sites successfully contributing and voting.

COVID-19 required a swift change from campus to working from home and ensuring students could participate and staff could work online. The Union moved all activities online, including committees, team meetings, meetings with students, and a series of social activities. All advice sessions and a reception function are now available online. For the elections, the Union hosted its candidate questions and answer sessions and voting online, and reinstated the annual awards by running an online ceremony in June 2020.

6. *Generate more income through advertising, sponsorship, etc.*

The Union successfully increased its income in the first half of the year after restructuring welcome week and the associated welcome fair, and also organising a different mix of social activities. The Union also appointed an agent for media sales to generate additional advertising income. However, the impact of the University moving all teaching online due to COVID-19 meant opportunities to generate income through advertising, sponsorship and ticketing disappeared in the second half of the year. The Union has started to consider alternative means to generate income in 2020/21.

COVID-19

The impact of COVID-19 on the members of the Union was substantial. In March 2020, the University moved all teaching and assessments online. The Union undertook a major survey of its student members and identified many barriers to students' learning when they did not have access to any campuses. Many of the students study subjects which require the use of lab, studios and other specialist equipment which is not available off-campus. Many students lacked the facilities at home to study including, for example, a computer, an internet connection or a suitable space to study.

Most of the Union's members are from lower socioeconomic groups. These groups were disproportionately negatively affected by the pandemic. Many students lost their main source of income, whether through losing their job or the family members who support them losing their jobs.

To support students, the Union successfully lobbied the University on a range of existing and new supports for students, including:

- Creating a special hardship fund, which started with £300,000 and was later increased;
- Amending the proposed alternative assessments to ensure students could demonstrate that they were meeting the learning outcomes and thereby accumulate the necessary credits;
- Amending the extenuating circumstances policy to ensure students were not academically disadvantaged by the pandemic;
- Introducing a laptop loan scheme for students who did not have a computer and/or internet access at home;
- Procuring or licencing new software which allowed students to study from home at no additional costs to the members, including specialist emulation packages.

Sadly, several students passed away due to the virus or related complications. The Union worked with the University to provide support for course mates and friends of the deceased students.

The Union continues to work proactively with the University to support students in 2020/21 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 £1,115,170, of which £1,111,647 was unrestricted. This includes grants from the University of £795,390 and an estimated value of £268,173 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 £9,434 and income totalling £42,173 generated from charitable activities.

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The costs of services provided to the membership including representation, advice and activities and costs associated with generating charitable income was £856,249. This included legal and professional fees and other governance cost totalling £72,595.

Net income of £258,921 and a pension provision of £453,154 decreased overall reserves from a deficit of £841,213 to a deficit of £1,035,446. At the balance sheet date, free reserves, being unrestricted income funds not represented by fixed assets, amounted to a deficit of £1,041,367 and a revised fund of £403,289 excluding the pension liability.

The Union is affiliated to the National Union of Students, for which the affiliation fee in the period was £28,981. The other affiliation in the period was to AdviceUK (£258).

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 £403,289 covers more than 90 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 five broad areas of work for 2020/21, which is supported by an operational plan. Responsibility for delivery of the operational plan lies with the senior management team and the student officers.

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

This will include changing the advice model to provide more helpful information up front; moving away from a model of doing things *for* students to achieving things *with* students; and developing a policy book of positions on matters which affect students.

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

This will include creating one academic society per cluster/subject; delivering a programme of social activities and events throughout teaching term time; delivering a programme of history, cultural and other months/celebrations; conducting an in-depth analysis of existing data on members and their interests; and developing an online student group training programme; and creating and implementing a new commercial strategy.

3. Ensure systems are in place to support effective operations; ensure compliance with law and best practice

This will include introducing several new systems to support the better running of operations and finances; procuring a suite of IT equipment to support mobility of staff and reduce the amount of paper used in the organisation; reviewing all policies and regulations; and finalising the new staff handbook.

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

This will include completing the review of the bye-laws to implement the review of representation changes; implementing a new recruitment process for two students trustees and one University trustee; implementing the good governance code; and conducting a review of the culture around elections.

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REPORT OF THE TRUSTEES

5. Prepare a new strategic plan

This project was delayed in the previous year, partly due to the onset of COVID-19. This will include a major research exercise among the members to understand the barriers they face in participating fully in education.

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.

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 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).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the Union 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 Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, Companies Act 2006 and the provisions of the Union's governing documents. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of Information to Auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed:

- that, so far as that Trustees are aware, there is no relevant audit information of which the Union's auditors are unaware; and
- that Trustees have taken all steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information needed by the Union's auditors in connection with preparing their report and to establish that the Union's auditors are aware of that information.

Approved by the Trustees and signed on their behalf.



Martin Young
Chair of the Board of Trustees

Date 21-12-20

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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 University of East London Students' Union for the year ended 31 July 2020 which comprise the Statement of Financial Activities, Balance Sheet, 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 31 July 2020 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; 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 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.

UNIVERSITY OF EAST LONDON STUDENTS' UNION

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INDEPENDENT AUDITOR'S REPORT

Opinions on other matters 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' 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 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 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
- 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 trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

INDEPENDENT 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 charitable 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

6 January 2021

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds £	Restricted Funds £	Year ended 31 July 2020 Total Funds £	Year ended 31 July 2019 Total Funds £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	1	1,072,997	-	1,072,997	901,100
Other trading activities	2	-	-	-	514
Charitable activities	3	38,650	3,523	42,173	71,561
Total		<u>1,111,647</u>	<u>3,523</u>	<u>1,115,170</u>	<u>973,175</u>
EXPENDITURE ON:					
Charitable activities	4	856,249	-	856,249	860,359
Total		<u>856,249</u>	<u>-</u>	<u>856,249</u>	<u>860,359</u>
Net Income		255,398	3,523	258,921	112,816
Transfers between funds	14	-	-	-	-
Pension charges	13	(453,154)	-	(453,154)	(110,016)
Net movement in funds		<u>(197,756)</u>	<u>3,523</u>	<u>(194,233)</u>	<u>2,800</u>
RECONCILIATION OF FUNDS					
Total funds brought forward	14	(843,611)	2,398	(841,213)	(844,013)
Total funds carried forward	14	<u>(1,041,367)</u>	<u>5,921</u>	<u>(1,035,446)</u>	<u>(841,213)</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 2020

BALANCE SHEET AS AT 31 JULY 2020

	Note	31 July 2020		31 July 2019	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10	-	-	1,630	1,630
Total fixed assets					
CURRENT ASSETS					
Debtors	11	45,471		14,208	
Cash at hand and in bank		386,163		221,218	
Total current assets		431,634		235,426	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	12	22,424		22,228	
Net current assets/(liabilities)			409,210		213,198
Total assets less current liabilities			409,210		214,828
Provisions for liabilities	13		(1,444,656)		(1,056,041)
Net assets/(liabilities)			<u>(1,035,446)</u>		<u>(841,213)</u>
THE FUNDS OF THE CHARITY					
Restricted funds			5,921		2,398
Unrestricted funds					
Designated pension fund	14	(1,444,656)		(1,056,041)	
Designated capital fund	14	-		1,630	
General funds	14	403,289		210,800	
Total unrestricted funds			(1,041,367)		(843,611)
Total charity funds	14		<u>(1,035,446)</u>		<u>(841,213)</u>

Approved by the trustees and signed on their behalf.



Martin Young
Chair of the Board of Trustees

Date 21-12-20

Registered company number: 10820498

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

STATEMENT OF CASH FLOWS

	Note	Year ended 31 July 2020		Year ended 31 July 2019	
		£	£	£	£
Net cash flow from operating activities (see below)			164,945		8,099
Cash flow from investing activities					
Proceeds from sale of investments		-		3,240	
Net cash flow from investing activities			-		3,240
Net increase/(decrease) in cash and cash equivalents			164,945		11,339
Cash and cash equivalents at 31 July 2019	16		221,218		209,879
Cash and cash equivalents at 31 July 2020	16		<u>386,163</u>		<u>221,218</u>
Cash and cash equivalents consist of:					
Cash at bank and in hand			386,163		221,218
Cash and cash equivalents at 31 July 2020	16		<u>386,163</u>		<u>221,218</u>

Reconciliation of net income to net cash flow from operating activities

		Year ended 31 July 2020		Year ended 31 July 2019	
		£	£	£	£
Net income/(expenditure) for the period			258,921		112,816
Adjusted for:					
Depreciation and impairment of tangible fixed assets		1,630		769	
Decrease/(increase) in stocks		-		-	
Decrease/(increase) in debtors		(31,263)		(8,563)	
Increase/(decrease) in creditors less than one year		196		(35,456)	
Loss on disposal of fixed assets		-		-	
Scheduled pension deficit payments		(64,539)		(61,467)	
			(93,976)		(104,717)
			<u>164,945</u>		<u>8,099</u>

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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 1150963. 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 1.45% 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 2020

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 at no charge. As required by SORP 2019, the donation of these facilities 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 2020

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 2020

NOTES TO THE FINANCIAL STATEMENTS

1. Donations and legacies

	Year ended 31 July 2020			Year ended 31 July 2019		
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Block grant	763,740	-	763,740	687,000	-	687,000
Donated services and facilities	268,173	-	268,173	190,050	-	190,050
Other grants	41,084	-	41,084	24,050	-	24,050
	<u>1,072,997</u>	<u>-</u>	<u>1,072,997</u>	<u>901,100</u>	<u>-</u>	<u>901,100</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 £9,434 (2019: £nil).

2. Other trading activities

	Year ended 31 July 2020			Year ended 31 July 2019		
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Bank interest received	-	-	-	268	-	268
Photocopying and stationery income	-	-	-	246	-	246
	<u>-</u>	<u>-</u>	<u>-</u>	<u>514</u>	<u>-</u>	<u>514</u>

3. Income from charitable activities

	Year ended 31 July 2020			Year ended 31 July 2019		
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Balls and events income	31,219	-	31,219	34,174	-	34,174
Societies income	-	3,523	3,523	-	1,968	1,968
NUS and other income	7,431	-	7,431	35,419	-	35,419
	<u>38,650</u>	<u>3,523</u>	<u>42,173</u>	<u>69,593</u>	<u>1,968</u>	<u>71,561</u>

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

NOTES TO THE FINANCIAL STATEMENTS

4. Expenditure on charitable activities

	Staff costs £	Other direct costs £	Support costs (note 5) £	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>
				Year ended 31 July 2019 Total Funds £
<u>Charitable activities</u>				
Student Advice	37,688	49,536	135,487	222,711
Shops and Bars	-	-	-	-
Campaigns and Comms	-	653	1,014	1,667
Events and Entertainments	-	60,674	94,245	154,919
Clubs, Affiliations	147,814	11,888	248,063	407,765
Societies (restricted)	-	-	-	-
	<u>185,502</u>	<u>122,751</u>	<u>478,809</u>	<u>787,062</u>
<u>Governance</u>				
Legal and professional fees	-	12,854	-	12,854
Other governance costs	-	15,853	44,590	60,443
	<u>-</u>	<u>28,707</u>	<u>44,590</u>	<u>73,297</u>
	<u>185,502</u>	<u>151,458</u>	<u>523,399</u>	<u>860,359</u>
Unrestricted	185,502	151,458	523,399	860,359
Restricted	-	-	-	-
	<u>185,502</u>	<u>151,458</u>	<u>523,399</u>	<u>860,359</u>

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

NOTES TO THE FINANCIAL STATEMENTS

5. Support costs

			Year ended 31 July 2020			Year ended 31 July 2019
	Staff costs £	Other direct costs £	Total Funds £	Staff costs £	direct costs £	Total Funds £
<i>Charitable activities</i>						
Student Advice	6,396	48,924	55,320	29,385	106,102	135,487
Retail	-	-	-	-	-	-
Campaigns and Comms	293	2,244	2,537	220	794	1,014
Democratic Representation	-	-	-	-	-	-
Events and Entertainments	8,119	62,107	70,226	20,441	73,804	94,245
Clubs, Affiliations	36,418	278,580	314,998	53,802	194,261	248,063
Societies (restricted)	-	-	-	-	-	-
	<u>51,226</u>	<u>391,855</u>	<u>443,081</u>	<u>103,848</u>	<u>374,961</u>	<u>478,809</u>
<i>Governance</i>						
Governance	4,745	36,300	41,045	9,671	34,919	44,590
	<u>55,971</u>	<u>428,155</u>	<u>484,126</u>	<u>113,519</u>	<u>409,880</u>	<u>523,399</u>

Included in other direct costs above is donated services and facilities of £268,173 (period to 31 July 2019: £190,050) 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.

6. Pension charges

			Year ended 31 July 2020			Year ended 31 July 2019
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Pension charge	453,154	-	453,154	110,016	-	110,016
	<u>453,154</u>	<u>-</u>	<u>453,154</u>	<u>110,016</u>	<u>-</u>	<u>110,016</u>

Further information on the pension deficit is given in notes 13 and 18.

7. Auditors' remuneration

			Year ended 31 July 2020			Year ended 31 July 2019
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Current year	13,626	-	13,626	12,854	-	12,854
	<u>13,626</u>	<u>-</u>	<u>13,626</u>	<u>12,854</u>	<u>-</u>	<u>12,854</u>

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

NOTES TO THE FINANCIAL STATEMENTS

8. Wages and salary cost

	Year ended 31 July 2020 Total Funds £	Year ended 31 July 2019 Total Funds £
Gross wages	341,446	353,401
Employer's national insurance costs	28,187	30,612
Pension costs	11,493	19,496
Pension deficit charge	453,154	110,016
Termination payments	-	13,466
	<u>834,280</u>	<u>526,991</u>

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

	Year ended 31 July 2020	Year ended 31 July 2019
Assessed on an average headcount basis	<u>14</u>	<u>22</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 2020	Year ended 31 July 2019
Management	2	2
Student services	4	6
	<u>6</u>	<u>8</u>

9. Related party transactions

The union's sabbatical officers received employee benefits totalling £83,717 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 £	Pension £	Total £
<i>Sabbatical officers to July 2020</i>			
Chowdhury	19,724	-	19,724
Dutt	19,699	-	19,699
Ismail	19,724	-	19,724
Pradeep	19,320	-	19,320
<i>Sabbatical officers from July 2020</i>			
Pradeep	1,750	-	1,750
Durrani	1,750	-	1,750
Samtani	1,750	-	1,750
	<u>83,717</u>	<u>-</u>	<u>83,717</u>

No sabbatical officers were reimbursed travel and subsistence expenses during the period under review (period to 31 July 2019: £nil).

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 £104,015 inclusive of salary, employer pension contributions and termination benefits.

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

NOTES TO THE FINANCIAL STATEMENTS

10. Fixed assets

	Club and societies equipment £	Computer equipment £	Fixtures & fittings £	TOTAL £
<i>Cost</i>				
At 31 July 2019	2,437	14,563	4,765	21,765
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 July 2020	<u>2,437</u>	<u>14,563</u>	<u>4,765</u>	<u>21,765</u>
<i>Depreciation</i>				
Accumulated at 31 July 2019	2,150	13,538	4,447	20,135
Charge for the year	287	1,025	318	1,630
On disposals	-	-	-	-
At 31 July 2020	<u>2,437</u>	<u>14,563</u>	<u>4,765</u>	<u>21,765</u>
Net book value at 31 July 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value at 31 July 2019	<u>287</u>	<u>1,025</u>	<u>318</u>	<u>1,630</u>

11. Debtors

	31 July 2020 Total Funds £	31 July 2019 Total Funds £
Trade debtors	3,663	5,483
Owed from University of East London	39,326	8,725
Accrued income	2,482	-
	<u>45,471</u>	<u>14,208</u>

12. Creditors

	31 July 2020 Total Funds £	31 July 2019 Total Funds £
Trade creditors	5,147	3,295
Accruals	17,088	18,275
Other creditors	189	658
	<u>22,424</u>	<u>22,228</u>

13. Provisions for liabilities - Pension liability

	31 July 2020 Total Funds £	31 July 2019 Total Funds £
Balance brought forward	1,056,041	1,007,492
Scheduled payments made	(64,539)	(61,467)
Addition for extended period, change in rate and unwinding of discount	453,154	110,016
Balance carried forward	<u>1,444,656</u>	<u>1,056,041</u>

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

NOTES TO THE FINANCIAL STATEMENTS

14. 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	2,398	3,523	-	-	-	5,921
	<u>2,398</u>	<u>3,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,921</u>
<i>Unrestricted funds</i>						
Pension reserve	(1,056,041)	-	-	(453,154)	64,539	(1,444,656)
Capital reserve	1,630	-	-	-	(1,630)	-
Total designated funds	<u>(1,054,411)</u>	<u>-</u>	<u>-</u>	<u>(453,154)</u>	<u>62,909</u>	<u>(1,444,656)</u>
General fund	210,800	1,111,647	(856,249)	-	(62,909)	403,289
Total unrestricted funds	<u>(843,611)</u>	<u>1,111,647</u>	<u>(856,249)</u>	<u>(453,154)</u>	<u>-</u>	<u>(1,041,367)</u>
Total funds	<u>(841,213)</u>	<u>1,115,170</u>	<u>(856,249)</u>	<u>(453,154)</u>	<u>-</u>	<u>(1,035,446)</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.

15. Analysis of net assets between funds

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

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31 July 2019 Total Funds £
Net current assets	213,198	-	-	213,198
Provisions for liabilities	-	(1,056,041)	-	(1,056,041)
	<u>213,198</u>	<u>(1,056,041)</u>	<u>-</u>	<u>(842,843)</u>

16. Analysis of changes in net debt

Cash & Cash equivalents:

	31 July 2019	Cashflows	31 July 2020
Cash	-	235	235
Cash equivalents	221,218	164,710	385,928
	<u>221,218</u>	<u>164,945</u>	<u>386,163</u>

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

NOTES TO THE FINANCIAL STATEMENTS

17. Commitments

	31 July 2020 Total Funds £	31 July 2019 Total Funds £
The Union has total future minimum operating lease commitments for plant and machinery for the following periods:		
Not later than one year	-	211
Later than one year not later than five years	-	-
	<u>-</u>	<u>211</u>

Operating lease payments recognised as an expense in the year totalled £nil.

18. 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% mac 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 2020 amounted to £64,539 (period ended 31 July 2019: £61,467).

At the balance sheet date the charity had commitments to pay deficit funding contributions of £5,443 per month. This monthly payment is scheduled to increase by 5% per annum at October each year until 30 June 2036, 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 £11,493 (2019: £19,496).

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

NOTES TO THE FINANCIAL STATEMENTS

19. Financial instruments

The carrying amounts of the Charity's financial instruments are as follows:

	31 July 2020 £	31 July 2019 £
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
Trade debtors	3,663	5,483
	<u>3,663</u>	<u>5,483</u>
<i>Financial liabilities</i>		
Measured at amortised cost:		
Trade creditors	5,147	3,295
Other creditors	189	658
	<u>5,336</u>	<u>3,953</u>

20. Comparative figures - Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Year ended 31 July 2019 Total Funds £
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	901,100	-	901,100
Other trading activities	514	-	514
Charitable activities	69,593	1,968	71,561
Total	<u>971,207</u>	<u>1,968</u>	<u>973,175</u>
EXPENDITURE ON:			
Charitable activities	860,359	-	860,359
Total	<u>860,359</u>	<u>-</u>	<u>860,359</u>
Net income	110,848	1,968	112,816
Transfers between funds	-	-	-
Pension charges	(110,016)	-	(110,016)
Net movement in funds	832	1,968	2,800
RECONCILIATION OF FUNDS			
Total funds brought forward	(844,443)	430	(844,013)
Total funds carried forward	<u>(843,611)</u>	<u>2,398</u>	<u>(841,213)</u>