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**UNIVERSITY OF CENTRAL LANCASHIRE
STUDENTS' UNION**

FINANCIAL STATEMENTS

31 JULY 2020

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

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UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

TRUSTEE BOARD AND UNION INFORMATION

BOARD OF TRUSTEES 2020/21

Zuleikha Chikh	President (appointed 1 st July 2020)
Sophie O'Neill	Vice President Activities (appointed 1 st July 2020)
Stephanie Lomas	Vice President Education (appointed 1 st July 2020)
Megan Rea	Vice President Welfare (appointed 1 st July 2020)

Peter Hyett	External Trustee (appointed 1 st October 2016)
Emma Sims	External Trustee (appointed 1 st June 2018)
Dean Kamitsis	Student Trustee (appointed 18 th December 2018)
Beverley Simpson	Student Trustee (appointed 17 th December 2019)
Jill Wells	External Trustee (appointed 17 th December 2019)
Laura Davies	External Trustee (appointed 17 th December 2019)
Janine Machin	Student Trustee (appointed 23 rd June 2020)
Anna Shabunina	Student Trustee (appointed 23 rd June 2020)

BOARD OF TRUSTEES 2019/20

Suntosh Kaur	President (resigned 30th June 2020)
Sophie O'Neill	Vice President Activities (resigned 30th June 2020)
Dan Carver	Vice President Media (resigned 30th June 2020)
Stephanie Lomas	Vice President Education (resigned 30th June 2020)
Gemma Ghouse	Vice President Welfare (resigned 30th June 2020)

Peter Hyett	External Trustee (appointed 1st October 2016)
Emma Sims	External Trustee (appointed 1 st June 2018)
Sarah McIntosh	External Trustee (resigned 17th December 2019)
Dean Kamitsis	Student Trustee (appointed 18th December 2018)
Sarita Bicoza	Student Trustee (resigned 14th May 2020)
Hannah Johnson	Student Trustee (resigned 26 th May 2020)
Laura Davies	Student Trustee (resigned 17 th December 2019)
Jill Wells	Student Trustee (resigned 17 th December 2019)

KEY MANAGEMENT PERSONNEL

Chief Executive Officer	P Shilton Godwin
Director of Communications and Membership	AWF Bone
Director of Operations	J Russ
Director of Finance and Performance	L Stott

REGISTERED OFFICE 24 Fylde Road
Preston PR1 7BY

AUDITORS Crowe U.K. LLP
Chartered Accountants & Registered Auditors
The Lexicon, Mount Street
Manchester M2 5NT

BANKERS HSBC
PO Box 70, 40 Fishergate
Preston PR1 2AD

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2020

The Board of Trustees are pleased to present their Annual Report for the year ended 31st July 2020 which includes the information set out on page 1 of this report, together with the audited accounts for that year.

The year been dominated by the consequences of the world-wide Corona virus pandemic that has dominated the news agenda and consumed the energies of the Union, its Trustees and employees.

Through the period the Trustees identified three strategically important objectives:

- To be the authentic voice of students; listening, sharing, championing and smiling.
- The sustainability of the Union now and in the future
- The health and welfare of Union people – members, volunteers, officers and employees

The pandemic had the potential to very negatively impact both our services and sustainability. We are pleased to be able to report that although our trading income was impacted by the campus closure, we were able to pivot to remote working, continue to operate services of central importance to students and meet our objectives. Throughout the report we have sought to reflect our effectiveness and impact in the pandemic period as well as our business as usual activities.

This year, communication with students has needed to be different and has played a key part in our successful transformation almost overnight into a 'Digital Students' Union'.

Due to COVID-19, the Union's social media channels and the website became a vital part of our offer to students and has been used to provide updates, information, campaigns and an element of fun to the students' experience. This was brought together into single unifying campaign helping students to understand and engage our activity an ambitious objective to be the authentic voice of students; listening, sharing, championing and smiling.

For You, Through This

To ensure students still felt supported by the new digital-first Union, we launched the 'For You, Through This' campaign which was focused upon four promises we made to students. The 'For You, Through This' webpage is central to the campaign and had over 1,000 views. Alongside click throughs to other Union webpages like FAQs and articles, the page also featured Elected Officer updates and even videos, which were also released on our social media and across those channels had just under 700 views.

As part of the 'For You, Through This' campaign, our social media went hand in hand with the website and has shared an array of interactive and engaging posts about the four promises. This included, 'Share Your Stories.' Where we had several students contact us to share their experiences of what they had been doing during COVID-19, including a student mental health nurse, an Operating Department Practitioner and even a band who have created a song to raise money for NHS charities.

Another part of the campaign saw the creation of the UCLan Students Union Online Community where the content is Elected Officer and student led. With nearly 500

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members it gives students the opportunity and space to come together and feel connected while they're all learning remotely. This all went alongside some content to make students smile and bring a bit of fun to a difficult time.

The Trustee Board and the Senior Management Team remain highly alert to the implications of the pandemic and continue to respond to all government and sector guidance. The pandemic has brought a greater focus on risk with Covid specific challenges high on the Trustee's agenda reflecting the challenges to our operations and sustainability deriving from reduced trading incomes.

We were grateful for the support of our funder the University of Central Lancashire and its LIS team and acknowledge the importance of grants from the Job Retention Scheme (the furlough) implemented by HMG.

The report includes the information set out on page 1 of this report, together with an account of activities and impact and the audited accounts for that year. Championing students

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OUR MISSION

The Union's mission as 'to make life better for students' with the following long-term aims: -

- a) To promote the interests of students during their course of study.
- b) To represent, support and advise students.
- c) To provide social and recreational activities for students and, by so doing, advance the education of the students at the University of Central Lancashire for the benefit of the public.

The Union has activities and services for use by members and to support work with the University and other organisations on behalf of students. These include support for student representation throughout the University, the Union's independent Student Advice Centre, the Union's Activities Office supporting club, society and volunteering activities, Pulse Student Media, induction activities including 'Welcome Week' and discounts through Totum. The Union also provides for the daily and social needs of students on campus including the Atrium Cafe, Source Bar and the Union Shop.

THE UNION PLAN – MAKING LIFE BETTER FOR STUDENTS

In 2008 the Union decided that 'making life better for students' should be our mission statement and this still sums up what we try to do every day. In January 2016 the Union's Board adopted a new Union Plan for the period to 2020.

The main themes of the plan are Supporting, Representing, Inspiring and Connecting students.

Represented	Supported
We will help you to make sure your views are respected, listened to and acted upon. We will make sure that we keep in touch about our progress on the changes you want to see.	We will work with you to ensure your well-being is prioritised so that you can study successfully. Your safety, health and happiness are important us.
Inspired	Connected
We will inspire you to create your student life and help you prepare for your future. We want you to seize the opportunities to develop your passions, skills and interests	We will make sure you have the opportunities to have fun, make connections and lasting friends. We know that making friends and fun is important to you.

This plan was the culmination of research and consultation with students with the objective of ensuring that the Union is meeting the needs of students. In support of this objective, the Union undertook a major review of student and stakeholder views and identified 4 themes

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and a series of objectives to ensure we achieve our vision that 'every student is able to take the opportunities that UCLan offers; be inspired, succeed and achieve their goals'.

These themes are supported by our 'Future Union' objectives that set out how the Union will ensure it is capable of achieving the theme objectives. The Union Plan can be viewed in full and downloaded at www.uclansu.co.uk

The Union, when reviewing or planning its activities, gives due consideration to the Charity Commission's general and relevant guidance on public benefit and has complied with the duty in section 4 of the 2006 Charities Act to have due regard to guidance on public benefit published by the Charity Commission.

UNION ACHIEVEMENTS

The themes of the Union Plan 2016 – 20 are Supporting, Representing, Inspiring and Connecting and our achievements and impact in each of these themes is set out below.

REPRESENTING STUDENTS

This year saw considerable work on representing students' academic interests with the launch of the Spill the Tea campaign, in which the VP Education and Pro VC for Students and Teaching signed a pledge to emphasize the importance of acting on student feedback, closing the feedback loop and working in partnership. The campaign included themed consultation events; asking students about different elements of their academic experience and emphasizing the importance of them giving feedback through academic representation structures.

Staff supported the VP Education in being a key player in the review and reframing of the extenuating circumstances process (now Mitigating Circumstances), a new Timetabling Policy that put students' needs at the centre of it. The VP Education and Advice Centre Staff were members of the Steering Group reviewing the Unfair Means Regulations and implementing their replacement with the Academic Misconduct regulations. This has resulted in much clearer regulations that benefited students. The VP Education continues to work with the University to implement the preventative work.

This year also saw the commencement of the Student Voice and Involvement Project, as part of the second phase of the Student Experience Programme. The project is being jointly led by the Union and University and includes four key workstreams;

Online Platform Pilot

The Unitu workstream within the project will run in 3 Schools; Pharmacy and Biomedical Sciences, Nursing and Engineering. The platform seeks to empower Course Reps and students in gathering feedback about their student experience and will result in faster changes and improvements, through feedback being responded to in real time. The pilot will begin at the start of the academic year 2020/21 with a view to rolling out the platform across the university in the year 2021/22.

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SSLC Review

Within this workstream we are aiming to do a thorough review of the SSLC process, to ensure that the structures in place result in positive changes on courses and for students. We want to ensure consistency in the system but allow enough flexibility to meet the needs of the different students we have at UCLan.

Course Rep/Staff Roles and Responsibilities

This workstream aims to clearly define the roles of different stakeholders within the academic representation structures; from the remit of Course Reps to guidance for staff on how to work with Reps as partners. We also want to ensure that our processes are empowering and hearing from a diversity of student voices when shaping the student experience.

Student Involvement (Co-creation)

This workstream will focus on developing guidance on how we work with students as partners when developing new curriculums, assessments, services etc. This workstream aims to introduce co-creation as the new norm when making changes that impact students, to result in better outcomes and an overall improved student experience.

The main elections of 2020 saw a record turnout of 4,196 students as well as an increase in the number of candidates on last year with 81 students standing for Full-time Officer, School President and Students' Council roles. The School President role remains the most popular one amongst students, with 33 candidates for 15 out of the 17 Schools.

We have had excellent engagement with some of our liberation reps on Students' Council this year, resulting in student-led campaigns and activity. This year the Women's Rep launched her campaign 'EmpowHER' which sought to start discussions around consent on campus and included a women's only self-defence class as well as events for students who define as women to come together to discuss their experiences. We also began work with our disabled students' representative on their work around encouraging students to disclose disabilities through their 'This is Me' campaign, as well as work with our BAME Students' Representative on a BAME Leadership event. These two campaigns have been pushed to start in the academic year 2020/21 due to covid19.

A lot of the work undertaken in the second semester of this academic year was impacted by COVID-19. We moved all our activity online and the majority of the issues our elected officers were dealing with were related to the COVID19 pandemic and its impact on students. At the start of lockdown, we organised daily meetings between officers and key staff in representation, advice, comms and activities to ensure that we were dealing with incoming issues in a co-ordinated manner and officers were supported in their work. Some of the key 'wins' for students from this period were securing 400 laptops for students who didn't have the technology to work from home, the creation of a hardship fund for all students in need (including international students), the no detriment policy and getting the university to release students from their tenancy agreements in university owned accommodation.

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During this time, we conducted our Student-Led Teaching Awards completely online, receiving over 800 nominations across the different Golden Roses at Preston, Burnley, Myerscough and Runshaw College. 568 of those nominations were received from students studying on Preston campus, post-lockdown and highlighted staff who had really gone above and beyond to keep in touch with their students and reassure them. In lieu of an awards ceremony we worked with the comms team to produce videos awarding the Golden Roses winners at [Burnley](#) and [Preston](#) over Microsoft Teams which were very well received.

This year's NSS results saw the University scores decline in every single area other than in Question 26 (Students' Union represents students' academic interests) where we improved by 1% on last year. The Student Voice section however scored the lowest it has since the question was introduced; really highlighting the need for the student voice project.

SUPPORTING STUDENTS

We continue to support a free, confidential and independent Student Advice Centre, The service ensures students have access to qualified advisers and high quality, independent advice on money matters, academic progression, accommodation and employment. From September 2019 to July 2020 we received 4,140 enquiries from students. The service achieved financial support gains totalling £480,600 to support students.

Since 18th March 2020 the Advice Centre has been operating remotely, with all staff working from home. The Advice team have adapted to this new way of working quickly, offering students advice by telephone, e-mail or Teams appointments. Academic hearings and panels have been conducted by Teams appointment, which advisers also attend with students.

As well as the issues the Advice Centre normally sees over the summer period, they also dealt with queries that were specifically related to COVID19. These particularly related to the no detriment policy, accommodation costs and cancellation of accommodation contracts as well as the quality of online learning and financial hardship. Advisers are now starting to see students who are going through the disciplinary process with issues related to none compliance with University Covid 19 rules. These trends were reported to the elected officers during the twice a week meeting, meaning that the Union could provide an evidence-based, joined up approach to address the issues students were facing.

The Advice Centre staff continue to liaise with relevant university departments including contributing to three training sessions for Appeal Chairs that were run by academic registry and running two training sessions for staff from the <i> regarding welfare benefits and the service we offer to students.

STUDY GOOD CAMPAIGN – SUPPORTING STUDENTS THROUGH TOUGH TIMES

The second semester is a key part of the student academic calendar and is when students are faced with exams and assignments, often leading to a lot of stress and anxiety. Our 'Stressed Out Students' (SOS) campaign had run in previous years, but given the already worrying COVID-19 situation and focus on the students' stress, we re-worked that campaign

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to re-create a more positive tone: Study Good. We also needed to tackle the problem of running the entire campaign and events online.

Study Good focused on helping students to be; energised, focused, relaxed and restful and aimed to 'help put the good into studying.' To achieve this, we worked closely with the Representation and Officer team on the different themes to create a programme of activity and communications including study skills and tips, online yoga sessions, signposting to support services and even fun social media posts about energiser smoothie recipes.

CONNECTING STUDENTS – CLUBS, SOCIETIES AND SPORTS

During the 2019-20 academic year student groups continued to deliver activities both in-person and online and provide their peers with opportunities to make new friends, learn skills and have fun. 115 affiliated Societies and 38 Sports Clubs engaged with 4118 members throughout the year and over 350 individual elections took place throughout the year for students to select their group committees. Student Union Leagues grew during the year, with 15 5-a-side and 12 11-a-side Football teams competing each week, with week-end fixtures offered to accommodate demand. The Women's Futsal recreational offer developed into a fully-fledged BUCS Team and the players completed their first season finishing 2nd in their league.

Student led Society and Sports Development Committees met on a monthly basis to recognise affiliate new groups and award grants to further support student activity.

Despite the suspension of face-to-face activity in March, groups maintained social links by delivering online sessions with quizzes, dance classes and general catchups. BUCS sports leagues were suspended, and a physical Varsity, Union Awards and Sports Ball were cancelled. As an alternative, a virtual Varsity took place with a tense game of online Connect 4 against Edgehill and student society volunteers were recognised during the online Union Awards.

Team photos were created virtually by the Comms team, providing graduating students with a memento of their involvement in UCLan SU Sport.

VOLUNTEERING - INSPIRING STUDENTS

120 students have engaged in 9 Inspiring Projects over 2019-20, including 3 new successful projects – The Quiet Space, Dementia Friends and the Zero Waste Area Committee.

The Quiet Space was designed and decorated from start to finish by a group of volunteers over the summer of 2019, and their hard work transformed an old office into a safe space for students to relax and take a break from their day. The volunteers demonstrated a lot of enthusiasm and worked really hard to plan and make-over this space, going above and beyond what we normally expect from our volunteers! This space will have an impact for students well into the future, and was regularly used by students who need a calming atmosphere or to take a break to help their mental health.

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The Zero Waste Area first opened in September 2019 following a shop refurbishment and name change of our 'Union Shop'. As part of the refurbishment, we were awarded £3,000 to spend on a wholefood zero waste kit from a successful bid to NUS Student Eats and this is how the Zero Waste Area project was initiated. It is a new initiative to sell whole foods and plastic free products on campus and offer an environmentally friendly option to consumers. As a social enterprise, any profit is put back into the project or other sustainable initiatives and decisions about what gets sold and how the profits are spent are decided by volunteer committee members. 18 volunteers have been involved in developing this project and together they have increased footfall, run promotions, and created successful social media accounts and publicity to engage the local community in the Zero Waste Area.

The Craft and Food Fair went from strength to strength this year, successfully bidding for £500 worth of funding from NUS Student Eats (now SOS) to employ a student graphic designer to help us with the branding for our brand new "Student Section". During our Christmas Fair we had 8 stalls of student-run businesses, helping UCLan students showcase fledgling craft and food businesses, and sell their products on campus. All the stallholders were really happy with how well it went, and all wanted to return again.

VOLUNTEERING DURING COVID

Over the period of the Covid "shut down" we released our Volunteering Experience Survey, and even through a pandemic our volunteers took time to give us their feedback on their experience of volunteering with us. 74 students completed the survey from across all volunteering areas of the Union and despite these difficult times 65% of them felt they had met new people and made new friends through their volunteering. 45% of them also felt volunteering had increased their employability.

One participant: *"I have met so many people and made some good friends. It also gives me something to focus on rather than just uni work and I can enjoy it! I really love volunteering for the SU and I just wish there were more hours in the day to volunteer more!"*

In answer to the question **How has being involved with the Union impacted on your experience of being a student at UCLan?** students said:

"Impacted greatly. I have met a large group of friends which feel like a family. I have learned multiple life skills which have helped me to become a more confident and stronger individual- which all in all made my student experience incredible."

"Volunteering with the SU has given me a much better quality of time at UCLan, I've gained friends, confidence and happiness."

"If I didn't volunteer with the Union, I would have dropped out."

During 2019/20 198 students registered for the Livesey Award, which recognises volunteering hours achieved across the Union. Together they logged 4833 Livesey recognised volunteering hours, which is the equivalent of donating over £39,500 worth of their time to help others (*based on National Minimum Wage of £8.20 per hour). 25 volunteers achieved their Gold award for volunteering over 90 hours, and we had 20 "Highly

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Commended" graduates who had logged over 100 Union volunteering hours during their time at university, with one student logging 605 volunteering hours!

RECOGNITION OF SUCCESS– OUR AWARDS

Virtual Awards

April and May time is a busy part of the Union's calendar of activity and is usually reserved as a time of celebrating the end of the year and the great achievements that have happened throughout the year. Unfortunately, COVID-19 put a stop to our in-person awards ceremonies and it was important for us to seek an alternative to ensure we were still able to celebrate students and staff in the Union Awards and Golden Roses, during a time everybody needed it.

After some research, the consensus fell to use YouTube Premiere where we could use pre-recorded video content but stream it in a 'live' setting where the audience would watch the video as a ceremony and be able to chat with other people in the live chat box. We did this for both main ceremonies and received lots of great feedback from Union staff, volunteers, students and

University staff who are really enjoyed the ceremonies and were able to share the links with those who would usually not attend the ceremony in person. Overall, these ceremonies had been viewed nearly 2000 times on our YouTube channel and had high engagement and sharing across social media. These virtual events were definitely a highlight for the Union and showcased the online capabilities we could reach during a point where all still getting used to working online.

National Student Survey (NSS)

This annual independent National Student Survey (NSS) survey elicits the views of third year students about their university experience. Question 26 focusses on the impact of the Union on academic improvements. In the survey published in summer 2020 we scored 61%, 4% higher than the national average improving on our 2019 score by 1%. In 2019 the Union invested resources to improve student engagement with the Union and we are pleased we saw a return on this investment.

We have determined that we will seek to assure members, stakeholders, funders and others of our impact by reviewing our activities using the NUS 'Quality Students Union' award. Our objective was to achieve accreditation initially as 'very good' and subsequently as 'excellent' during the lifespan of the current Union Plan 2016 – 2020. It is a matter of great pride that we achieved accreditation as a 'Very Good Student's Union' in the autumn of 2017.

STRUCTURE GOVERNANCE AND MANAGEMENT

For the period represented by these accounts the UCLan Students' Union operated as a company limited by guarantee (Company No. 7623917) and this company registered as a charity (Registered Charity No. 1142616). The Governance of the Union and its powers are set out in the Articles of Association. The Union operates on democratic principles with a Students' Council having the powers to approve the general policy of the Union and to represent the voice of students at the University. The Students' Council membership

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comprises the Union's Elected Officer team, together with representatives of student communities, demographics and academic schools.

In the period covered by this report the Union was governed by its Board of Trustees comprising five elected students, four students appointed by the Board and four external (lay) Trustees. This arrangement ensures that the Board has the diverse range of skills, knowledge and experience needed in order to carry out its role effectively. The elected officer roles of Union President, Vice President Education, Vice President Media, Vice President Welfare and Vice President Activities are full-time paid posts and remunerated as authorised by the 1994 Education Act. Other Trustee roles are volunteers. Attendance at meetings is set out below.

Board Members	Trustee Category	Meetings attended (% Attendance)
Suntosh Kaur	Officer - Union President	4 (of 4) (100%)
Sophie O'Neill	Officer - Vice President Activities	4 (of 4) (100%)
Steph Lomas	Officer - Vice President Education	4 (of 4) (100%)
Dan Carver	Officer - Vice President Media	4 (of 4) (100%)
Gemma Ghouse	Officer - Vice President Welfare	2 (of 4) (50%)
Emma Sims,	External	3 (of 4) (75%)
Peter Hyett	External	3 (of 4) (75%)
Laura Davies	External	2 (of 3) (66%)
Jill Wells	External	3 (of 3) (100%)
Sarah McIntosh	External	0 (of 1) (0%)
Sarita Bicoza	Student	0 (of 3) (0%)
Dean Kamitsis	Student	3 (of 4) (75%)
Beverly Simpson	Student	3 (of 3) (100%)

In the course of the year students, through the mechanism of Students' Council voted to reduce the number of elected officers by one with Student Media leadership passing into the hands of the Union staff team. This has changed the balance of the membership of the Board. Dan Carver was the last elected Media Officer.

The Trustees of the Charity receive an induction into their legal and administrative responsibilities from the NCVO, participate in learning and development opportunities offered by the NUS and others and have on-going training to ensure they are sufficiently well informed to carry out their responsibilities.

As one element of the 'Quality Students Unions' award achieved in 2017, the Unions governance was independently assessed as 'Very Good' against the 2011 version of the NUS and Charity Commission endorsed SU Code of Governance. The Unions Board has received copies of the new SU Governance Code published in 2018, has decided to adopt the new code and review its application in the Union during the 2020-21 financial year. The Union believes it meets the requirements of the code but is committed to using the new code to ensure continuous improvement

The Board of Trustees, assisted by Sub-Committees has delegated the day-to-day running of the Union to the Chief Executive Officer, Peter Shilton Godwin through a Statement of

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Delegated Authority (SODA). The Trustees of the Charity receive regular reports from Chief Executive and senior managers and review the Union's performance.

The relationship between the Board and the Chief Executive is fundamental to effective governance and management of the Union. It is the responsibility of the Board to ensure that the Chief Executive has clear objectives, to review performance and consider the development of their employee alongside that of the charity. One element of this is to ensure that the CEO is appropriately remunerated and that the basis of this remuneration is understood by the Board and CEO. The Board has undertaken a review of salaries and benefits paid to CEOs in students' Unions and the voluntary sector in order to establish a suitable level of remuneration.

RISK MANAGEMENT

The Board of Trustees has examined the major strategic business and operational risks faced by the Union and established a Finance, Audit & Risk Committee to monitor the major risks to which the charity is exposed. The Union has a risk register that is reviewed and updated at least annually. Where appropriate the Union has established systems or procedures to mitigate the risks the charity faces.

Covid 19 pandemic has brought a greater focus on risk with Covid specific risks high on the Trustee's agenda reflecting the challenges to our operations and sustainability deriving from reduced trading incomes. Recognising the dynamic position, the Board established a small Finance and Resources Committee to enable swift decision-making outside of the normal meeting cycle should this be desirable or required.

Budgetary, fraud and internal control risks are minimised by the implementation of procedures for the authorisation of all transactions and projects. Procedures are in place to ensure compliance with health & safety of staff, volunteers and participants in all the activities organised by the Union. These procedures are reviewed periodically to ensure they are effective and continue to meet the needs of the charity. The Union has not made any serious incident reports to the Charity Commission in the current year.

THE RELATIONSHIP BETWEEN THE UNION AND UCLan

The University of Central Lancashire's Code of Practice and the Union's Articles of Association approved by both organisations regulate the relationship between the Union and the University of Central Lancashire.

The Union receives a grant from the University and occupies buildings owned by the University that also pays for utilities, caretaking and cleaning staff as well as providing support for ICT networks, health & safety advice, HR advice and telecommunications. This non-monetary support is integral to the success of the Union and to the relationship between the University and the Union. In the current year, reflecting the requirements of the SORP, this non-monetary support totalling £550,996 is included in the Union's Accounts.

In order to strengthen and deepen our partnership in 2017 the President of the Union, Chair of the Board of the University, the University Vice-Chancellor and Union's Chief Executive Officer signed a Partnership Agreement. Based on guidance from the NUS and Association of

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University Chairs the partnership agreement codifies how the two bodies will work together in their mutual interest.

AFFILIATIONS TO OTHER BODIES

The Union affiliates to several organisations in order to benefit from training, professional development opportunities and information as follows: Child Poverty Action Group (CPAG), Advice UK, National Association of Housing Advisory Services (NHAS), Money Advice Trust, National Association of Student Money Advisers (NASMA).

We also affiliate to the British Universities and Colleges Sports Association (BUCS) and the national and local governing bodies (NGBs) of the following sports, American Football, Archery, Association Football, Athletics, Basketball, Canoeing, Dodgeball, Fencing, Golf, Hockey, Jiu Jitsu, Lawn Tennis, Netball, Rugby Football Union, Rugby Football League, Squash, Tae Kwondo and Volleyball to facilitate student sport participation and inter University competition.

The Union also affiliates to the National Union of Students (NUSUK) for the national representation of student's interests and the wider range of benefits, support and cost savings it receives from NUS. The Union is an active participant in the NUS, NUS Services Limited, NUS Charity and related companies to ensure that the organisation continues to function effectively on behalf of members. The Trustees have reviewed the cost and benefit of NUS membership and are content that there is significant net benefit from our involvement.

FINANCIAL REPORT

The financial report represents a year where 'business as usual' was enjoyed for the first seven months. The remainder of the year March to July 2020 demonstrates the effects of Covid-19, a global pandemic. This will continue to impact the Union for most of the next financial year to July 2021 as the virus remains with us for the foreseeable future, impacting of our working environment and social behaviour.

Net Operating result for the year 2019/20

The net operating result for the year 2019-20 has returned a small surplus of £73.9k, (last year £20.4k surplus). Salary and wages were subsidised by the Job Retention Scheme totalling £129k offering essential support for a difficult year especially within Trading Services.

Accounting for the Union's share of the Student Union Superannuation Scheme (SUSS) continues to have a significant impact on the financial position. This year the Triennial Actuary revaluation of June 19 updates the deficit valuation to £1,584k which is an increase of £415k as reported after exceptional items. Even though this is purely an accounting adjustment for a long term liability, it is a substantial amount that affects our reported net result for the year and one, the Trustees, are fully aware of. Please see page 45 note 21 for further details.

During the Covid-19 lock down from March to May casual trading staff were paid 80% of their average weekly pay as the Union utilised the Job Retention Scheme and core salaried staff, unable to work from home, were also added to the scheme. April recruitment of casual staff was not possible lowering this year's staff average from 147 to 107 employees. Staff costs, reported in note 12, fell to £1.37m (2018/19 £1.41m) and represented 43% of operating expenditure (2018/19, 38%). There has been little change to casual labour expenditure even

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2020

though the average number of students employed each month has fallen from 98 to 62. Core staff costs have fallen by 3% representing changes within central support costs and trading services. The Student Union Superannuation Scheme is a closed pension scheme and all eligible staff are in an auto-enrolled scheme in which contributions have remained at 5%. The Union's policy is to match employee contributions up to 6%, which is higher than the legal minimum employer contribution of 3%.

The financial statements reflect the value attributed to the accommodation and services provided to the Union by the University in 2019/20 of £550,996 (2018/19 £511,482) as a benefit in kind which is reported as both restricted charitable income and charitable expenditure.

The Union's Clubs and Societies operate within agreed delegated authorities though the Union is responsible for reporting income collected and expenditure. In the year Clubs and Societies deposited £106,293, expended £103,004 and carried forward balances of £95,104 representing a fall of 1.65% in Funds for 148 groups (Last Year 241 groups). Following the constitution of the groups we have moved 17 groups to an archive reserve as they have been inactive for 2 years and their balances totalled £2,684. A hundred groups were inactive for over 5 years with funds totalling £16,125. These have been transferred to a Club and Society bidding reserve. Groups will be able to bid into this fund for investment into their Club or Society benefiting students on many levels.

Notes 3 to 11 provided detailed analysis of income and expenditure during the year with previous year's comparisons, however the following specific comments can be made on the themes included in the Union Plan.

Connecting and Inspiring are the responsibility of the Director of Operations bringing together trading services, volunteering and sporting activities to aid cross department working. It has been a difficult year as the Coronavirus has put a stop on all that is fun and social. The staff team have pursued alternative methods to support all groups through this difficult time.

Representing and supporting are managed by the Director of Communications. Investment in student engagement, at a strategic level, is essential to ensure we deliver a clear message to our Students and Students know how we can help. Expenditure has fallen by 2% as physical activity was limited, Covid-19; all the support and services were maintained through staff quickly adapting to work from home, maintaining high standards and ensuring students were the only priority.

Trading Services - All areas were making good progress up to February before the national lock down. Sales revenue has fallen by 30% following the campus closure and it was hoped all would return to normality by September 2020 to enjoy a good welcome to our new and returning students. Unfortunately, this will take a little longer.

BALANCE SHEET AT 31 JULY 2020

The Balance Sheet shows negative net funds of £1,229k (2018/19 £856) primarily as a result of recognising the long-term liability to the Student Union Superannuation Scheme. The trustees are well aware of the issues surrounding the pension liability and recognise it as a long-term issue rather than an immediate risk. The fact that the scheme is closed provides some degree of risk management with respect to the liability however the trustees make sure

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2020

that both trustees and officers keep up to date with all issues that impact on scheme and the Union is an actively engaged employer member.

Note 20 confirms the accumulated funds held by the Student Union. Some funds are restricted in their use as they are linked to specific income received in previous years which can only be used for the purposes for which it is given. Restricted funds include Club & Society funds which are held by the Union, on behalf of the groups, for use in their respective groups. The constitution of the groups allows the Union to archive groups which are inactive for 2 years and close those which are inactive for 3 years, all funds are transferred to either an archive designated reserve or a Club/Society bidding designated reserve. This ensures funds are utilised to benefit students and current groups are easily identified and supported. The SUSS pension deficit of £1.584m is a negative restricted fund, which the Union recognises separately for clarity and its unique purpose.

General funds represent uncommitted accumulated funds and provide a measure of financial flexibility should the Union encounter financial challenges in any particular year. This year general reserves have increased from £41k to £82k due to the small operating surplus of £41k.

Designated funds are created when the trustees themselves choose to ring fence funds accumulated over a period of time for a particular project or purpose. At the end of 2017/18 the trustees decided to allocate accumulated funds to meet any costs to the Union in the future as a result of building improvements/alterations to the Union building as a result of the implementation of the University's campus Master Plan. Due to the current situation £50k has not been transferred and the balance has remained at £150k.

Each year the trustees consider the accumulated funds to make sure that they are satisfied that the Union is making best use of charitable funds. Note 20 confirms that at the end of the year the Union had cash reserves of £261k, (2018/19 £196k).

The Net Present Value of the scheme's future payments scheduled in the recovery plan are adjusted every year and includes the findings of the Triannual Actuary report as a Pension Discount revaluation cost of £415k (Last Year £28k pension discount unwinding) within the income & expenditure account on page 21 and commented on in Note 21. This year is the final year of the three-year advanced payment made in 2017-18. The Board informed the University that the next three-year advance payment scheme was due and given the unchartered water of the pandemic it has been decided to revert to an annual payment. This offers to smooth the treatment of the Scheme over the next three years until the next actuarial valuation is adopted in the July 2023 yearend statutory accounts.

The activities in 2019/20 generated cash of £45k. After allowing for acquiring fixed assets and financing activity this reduced to £15k, which when added to existing cash balances meant the Union held cash of £245k. Note 24 matches the available reserves with the available liquid funds and though these are currently not sufficient, the shortfall is considered manageable as strict procedures are in place to ensure reserves are not committed unless there are available liquid resources.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2020

RESERVES POLICY

The Trustees monitor reserves at a Board and sub-committee level. They consider that free reserves should be equivalent to around 80% of unrestricted funds (including fixed assets and designations) to ensure the Union has sufficient funds to meet any unexpected liabilities and to allow it to develop activities and operations in line with the strategy for the benefit of students. This equates to a target level as at 31 July 2020 of £157,000 (to the nearest thousand pounds).

Total reserves as at 31 July stood at a deficit of £1,229,098. Restricted funds (due to the pension liability) were a deficit of £1,489,448, designated funds were £178,639 and unrestricted funds that are fixed assets are £80,524, leaving free reserves as a surplus of £1,187.

As detailed in the balance sheet review, there are strict procedures in place to ensure reserves are not committed unless there are available liquid funds. The trustees also have the flexibility to release funds from designated reserves at any time. Commercial operations are being closely monitored to ensure a return to operational profitability which should generate additional funds to allow free reserves to reach the target level.

FUNDRAISING REPORT

The Union does not make direct fundraising appeals to its members. Our societies, on occasion, carry out fundraising activities for their society funds and for their favourite charities. We provide guidance to students based on the Union's Bye-law 11 of its Constitution. No complaints were received concerning these fundraising activities.

CUSTODIAN ACTIVITIES

The Union act as custodian for funds raised by the Union's many clubs and societies from their own activities and for their own use.

TRUSTEES RESPONSIBILITIES

Charity law and UCLan Students' Union's Articles of Association require us as trustees to prepare Annual Financial Statements giving a true and fair view of the state of the affairs of the Union at its year end and of the Union's income and expenditure for the year. In preparing these statements we are required to: -

- select the most suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on a going concern basis unless it is not appropriate to presume that the Union will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable us to ensure that the Financial Statements comply with charity law and the particular requirements of the Union's Board of Trustees and the University under the 1994 Education Act. We are also responsible for safeguarding the assets of the charity and ensuring their proper application in accordance

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YEAR ENDED 31 JULY 2020

with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SMALL COMPANIES NOTE

In preparing this report, the directors (trustees) have taken advantage of the small companies regime exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board on 19/1/2021 and signed on its behalf.



Zuleikha Chikh
President and Chair of the Board of Trustees



Pete Shilton Godwin
Chief Executive

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

YEAR ENDED 31 JULY 2020

Opinion

We have audited the financial statements of The University of Lancashire Students' Union for the year ended 31 July 2020 which comprise a Statement of Financial Activity (incorporating an Income and Expenditure Account), Balance Sheet, Cash Flow Statement 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.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

YEAR ENDED 31 JULY 2020

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.

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:

- the parent company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, 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.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

YEAR ENDED 31 JULY 2020

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.

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, the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Jayson, FCA

Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

Date: 25 January 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 JULY 2020

			2020		2019
	Note	Restricted £	Unrestricted £	Total £	Total £
INCOME FROM:					
Voluntary income	3	7,026	1,181,710	1,188,736	1,193,449
Grants and other funding	4	-	129,738	129,738	-
Charitable activities	5	657,289	1,250,397	1,907,686	2,487,824
Other trading activities	6	-	3,442	3,442	7,838
Investments		-	1,165	1,165	1,325
Income from Operations		664,315	2,566,452	3,230,767	3,690,436
EXPENDITURE ON:					
Charitable activities:					
Membership services	7-9	367,015	1,256,461	1,623,476	1,689,270
Primary purpose trading	7-9	294,133	1,239,264	1,533,397	1,980,734
Expenditure from Operations		661,148	2,495,725	3,156,873	3,670,004
Net Operating Result for the year - Surplus/(Deficit)		3,167	70,727	73,894	20,432
Exceptional Expenditure	11	-	(30,294)	(30,294)	(19,895)
Pension Discount Unwinding Cost	11 / 21	(415,440)	-	(415,440)	(28,515)
Net exceptional Items		(415,440)	(30,294)	(445,734)	(48,410)
Net Result for the year Surplus/(Deficit)		(412,273)	40,433	(371,840)	(27,978)
Total funds brought forward		(1,053,253)	195,995	(857,258)	(829,280)
Reserves Transfer	20	(23,922)	23,922	-	-
Total funds carried forward		(1,489,448)	260,350	(1,229,098)	(857,258)

The charity has no recognised gains or losses other than the results as set out above.
All of the activities of the charity are classed as continuing.

The notes on pages 24 to 42 form part of these financial statements.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

BALANCE SHEET

Company No: 07623917

31 JULY 2020

	Note	31/07/2020 £	£	31/07/2019 £	£
FIXED ASSETS					
Tangible fixed assets	13		80,524		108,993
Investments	14		1		1
			<u>80,525</u>		<u>108,994</u>
CURRENT ASSETS					
Stock	15	50,569		49,307	
Debtors	16	104,028		157,635	
Cash at bank and in hand		<u>245,506</u>		<u>230,173</u>	
		400,103		437,115	
CREDITORS:					
Amounts due within one year	17	(186,238)		(234,256)	
NET CURRENT ASSETS			<u>213,865</u>		<u>202,860</u>
Total assets less current liabilities					311,855
CREDITORS: amounts due after more than one year	18	(1,523,488)		(1,169,113)	
NET ASSETS	23		<u>(1,229,098)</u>		<u>(857,258)</u>
FUNDS					
Restricted funds					
- Pension Deficit Reserve		(1,584,553)		(1,169,113)	
- Students' Societies & Club Funds		95,104		110,748	
- Others		-		5,113	
- Total Restricted Funds		<u>(1,489,449)</u>		<u>(1,053,253)</u>	
Unrestricted funds					
- General Funds		81,712		41,287	
- Designated Funds		<u>178,639</u>		<u>154,717</u>	
- Total Unrestricted Funds		<u>260,351</u>		<u>195,995</u>	
TOTAL FUNDS	19		<u>(1,229,098)</u>		<u>(857,258)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provision of FRS 102 Section 1A – small entities.

These financial statements were approved and signed by the Board of Trustees on 19/1/2021



Z Chikh
President



P Shilton-Godwin
Chief Executive

The notes on pages 24 to 42 form part of these financial statements.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

CASH FLOW STATEMENT

31 JULY 2020

		2020	2019
Net cash (outflow)/inflow from operating activities	27	44,581	113,497
<u>Investing activities</u>			
Payments to acquire tangible fixed assets		(30,413)	(70,334)
<i>Net cash flow from investing activities</i>		(30,413)	(70,334)
<u>Financing activities</u>			
Repayment of Pension Deficit		-	-
Repayment of bank loans		-	(59,172)
Interest received		1,165	1,325
<i>Net cash flow from/(used in) financing activities</i>		1,165	(57,847)
Increase/(Decrease) in cash and cash equivalents		15,333	(14,684)
Cash and cash equivalents at start of year		230,173	244,857
Cash and cash equivalents at end of year		<u>245,506</u>	<u>230,173</u>

The notes on pages 24 to 42 form part of these financial statements.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

1. GENERAL INFORMATION

University of Central Lancashire Students' Union is a registered charity in England and Wales, with the charitable object of advancing the education of students at the University of Central Lancashire.

The charity is a private company limited by guarantee (Co No 07623917), with the registered office and principal address at Fylde Road, Preston, PR1 6BY.

2. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared in accordance with the Companies Act 2006, Charities Act 2011, Statement of Recommended Practice 'Accounting and Reporting by Charities' 2015 ('SORP'), and the Financial Reporting Standard 102.

The Trustees consider the charity to be a public benefit entity.

The Students' Union long term plan 'students have the best ideas' for 2016-20 presents the activities of the Union in Themes: Connected, Inspired, Represented and Supported. To ensure the Union is sustainable there are two other themes which are Business and Central Support Cost. The Trustee's report details progress within the themes and the financial report details the costs associated with this activity. Central Support Costs cannot be allocated directly to a theme so these are apportioned. Metres squared have been used to allocate Central Support Costs.

(b) Incoming resources

All incoming resources are recognised in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income and the amount can be quantified with reasonable certainty. Incoming resources are not shown net of expenditure.

(c) Grants received

Revenue grants other than the block grant are credited to the SOFA in the year in which they are received. The block grant is credited to the SOFA in the year in which it is receivable. In the SOFA grants are shown as income and the related expenditure disclosed as appropriate.

(d) Resources expended

All expenditure is accounted for on an accruals basis and is stated net of VAT.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs which can be directly allocated to activities and those costs of an indirect nature necessary to support them.

Costs are allocated between the expenditure categories of the SOFA based on usage of the resource.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

2. ACCOUNTING POLICIES (CONTINUED)

(d) Resources expended (continued)

Where costs cannot be directly allocated they are apportioned on an appropriate basis and recognised in SOFA. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

(e) Tangible fixed assets

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Building costs	– 10% p.a. straight line
Alterations to premises	– 20% - 25% p.a. straight line
Office equipment	– 20% - 25% p.a. straight line
Fixtures and fittings	– 20% p.a. straight line
Motor vehicles	– 25% p.a. straight line

Assets are capitalised if they cost more than £5,000 and are expected to last more than one year.

(f) Investments

Fixed asset investments are valued at cost.

(g) Stock

Stock is valued at the lower of the cost and its net realisable value.

(h) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(i) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

(j) Financial Instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

2. ACCOUNTING POLICIES (continued)

(k) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(l) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

(m) Accounting for Accumulated Funds

The Students' Union has three distinct types of accumulated funds in its balance sheet:-

Restricted funds representing unspent funds at the end of the financial year to be spent on particular activities as specified by the donor.

Unrestricted general funds arising from the accumulated surplus from its various activities held to provide a measure of financial flexibility in the future.

Designated Funds are general funds set aside by the Board of Trustees for a specific purpose.

The income and expenditure are shown in the SOFA.

The assets and liabilities representing each fund are shown in the notes to the accounts.

(n) Pension costs

The Charity participates in the Students' Union Superannuation Scheme, a multi-employer defined benefit pension scheme. Where it is not possible for the Charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme, it accounts for the scheme as a defined contribution scheme.

Where the scheme is in deficit and where the Charity has agreed, with the scheme, to participate in a deficit funding arrangement the Charity recognises a liability for this obligation. The amount recognised is the net present value of the contributions payable under the agreement that relate to the deficit. This amount is expensed in the Statement of Financial Activities and is held on the Balance Sheet as a restricted reserve.

The Union participates in the NUS Pension Scheme, a defined contribution scheme. A defined contribution plan is a pension plan under which the Charity pays fixed contributions into a separate entity. Once the contributions have been paid the Charity has no further payments obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Charity in independently administered funds.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

2. ACCOUNTING POLICIES (CONTINUED)

(o) Taxation

No provision is made in these accounts for corporation tax as the Union is exempt from such taxes as a result of its charitable status.

(p) Going concern

The Union continues to seek to generate funding from various trading activities but it will continue to be dependent on the support of the University of Central Lancashire for which the Trustees express their thanks on behalf of the members of the Union. There is no reason for the Union to believe this financial or non-monetary support from the University will not continue for the foreseeable future. In 2011 the Union and University agreed a Memorandum of Understanding between the organisations to support the continuing payment of the block grant and the non-monetary support.

(q) Judgements in applying accounting policies and key sources of estimation uncertainty

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 2 (e) for the useful economic lives for each class of assets.

(ii) Multi-employer defined benefit pension scheme

The Charity participated in the Students' Union Superannuation Scheme, a multi-employer defined benefit pension scheme with other Students' Union organisations. In the judgement of the trustees, the Charity does not have sufficient information on the plan's assets and liabilities to be able to reliably account for its share of the defined benefit obligations and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 20 for further details.

The Charity must measure its defined benefit obligation on a discounted present value basis. The Charity must determine the rate used to discount the future payments by reference to market yields at the reporting date on high quality corporate bonds. The term of the corporate bonds shall be consistent with the estimated period of the future payments.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

3. VOLUNTARY INCOME

	Restricted	Unrestricted	Total
			2020
	£	£	£
Grant Funding	-	1,181,710	1,181,710
Zero Waste	3,871	-	3,871
Hate Crime project	2,000	-	2,000
Projects	1,155	-	1,155
	<u>7,026</u>	<u>1,181,710</u>	<u>1,181,736</u>

	Restricted	Unrestricted	Total
			2019
	£	£	£
Grant Funding	-	1,163,574	1,163,574
Zero Waste	-	-	-
Hate Crime project	12,375	-	12,375
Projects	17,500	-	17,500
	<u>29,875</u>	<u>1,163,574</u>	<u>1,193,449</u>

4. GRANTS AND OTHER FUND

	Restricted	Unrestricted	Total
			2020
	£	£	£
Job Retention Scheme claims	-	129,738	129,738
	<u>-</u>	<u>129,738</u>	<u>129,738</u>

	Restricted	Unrestricted	Total
			2019
	£	£	£
Job Retention Scheme claims	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted	Unrestricted	Total
	£	£	2020
Connect	168,308	75,868	244,176
Inspire	63,076	5,847	68,924
Representation	78,206	5,073	83,279
Support	53,566	181,716	235,282
Membership Services	363,156	268,504	631,660
 Primary Purpose Trading Activities	 294,133	 981,893	 1,276,026
 Total	 657,289	 1,250,397	 1,907,686
 Charitable activities			
Direct Income from charitable activities	106,293	-	106,293
Benefit in kind – Accommodation & Service	550,996	-	550,996
Clubs and Societies - Income	-	1,250,397	1,250,397
	657,289	1,250,397	1,907,686

	Restricted	Unrestricted	Total
	£	£	2019
Connect	235,449	45,112	280,561
Inspire	58,553	10,552	69,105
Representation	72,598	4,330	76,928
Support	49,724	203,056	252,780
Membership Services	416,324	263,050	679,374
 Primary Purpose Trading Activities	 273,040	 1,535,410	 1,808,450
 Total	 689,364	 1,798,460	 2,487,824
 Charitable activities			
Direct Income from charitable activities	-	1,798,460	1,798,460
Benefit in kind – Accommodation & Service	511,482	-	511,482
Clubs and Societies - Income	177,882	-	177,882
	689,364	1,798,460	2,487,824

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020

6. OTHER TRADING INCOME

	Restricted	Unrestricted	Total
	£	£	2020 £
Marketing	-	3,442	3,442
	-	3,442	3,442

	Restricted	Unrestricted	Total
	£	£	2019 £
Marketing	-	7,838	7,838
	-	7,838	7,838

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

7. CHARITABLE ACTIVITIES

Restricted and Unrestricted Expenditure by Theme

	Restricted	Unrestricted	Total
	£	£	2020 £
Membership Services			
Connect	165,019	270,862	435,881
Inspire	63,077	134,108	197,185
Representation	78,206	482,345	560,551
Support	53,566	369,130	422,696
Projects	7,147	16	7,163
	<u>367,015</u>	<u>1,256,461</u>	<u>1,623,476</u>
Primary Purpose Trading Activities	294,133	1,239,264	1,533,397
	<u>661,148</u>	<u>2,495,725</u>	<u>3,156,873</u>
Direct Costs Plus Benefit in Kind			
Direct expenditure on charitable activities	-	2,495,725	2,495,725
Clubs and Societies - Expenditure	103,005	-	103,005
Restricted projects in membership services	7,147	-	7,147
Benefit In Kind – Accommodation & Services	550,996	-	550,996
	<u>661,148</u>	<u>2,495,725</u>	<u>3,156,873</u>

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

	Restricted	Unrestricted	Total
	£	£	2019 £
Membership Services			
Connect	214,136	297,256	511,392
Inspire	58,553	143,085	201,638
Representation	72,597	435,119	507,716
Support	49,724	378,390	428,114
Projects	39,812	598	40,410
	<u>434,822</u>	<u>1,254,448</u>	<u>1,689,270</u>
 Primary Purpose Trading Activities	 273,041	 1,707,693	 1,980,734
	<u>707,863</u>	<u>2,962,141</u>	<u>3,670,004</u>
 Direct Costs Plus Benefit in Kind			
Direct expenditure on charitable activities	-	2,962,141	2,962,141
Clubs and Societies - Expenditure	156,569	-	156,569
Restricted projects in membership services	39,812	-	39,812
Benefit In Kind – Accommodation & Services	511,482	-	511,482
	<u>707,863</u>	<u>2,962,141</u>	<u>3,670,004</u>

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

8. CHARITABLE ACTIVITIES

Direct & Support Expenditure by Theme

	Activities undertaken directly	Support costs	Total 2020
	£	£	£
Membership Services			
Connect	336,943	98,938	435,881
Inspire	96,552	100,633	197,185
Representation	435,780	124,771	560,551
Support	337,237	85,459	422,696
Projects	7,163	-	7,163
	<u>1,213,675</u>	<u>409,801</u>	<u>1,623,476</u>
Primary Purpose Trading Activities	1,064,133	469,264	1,533,397
Total	<u>2,277,808</u>	<u>879,065</u>	<u>3,156,873</u>

	Activities undertaken directly	Support costs	Total 2019
	£	£	£
Membership Services			
Connect	412,480	98,912	511,392
Inspire	101,030	100,608	201,638
Representation	382,977	124,739	507,716
Support	342,677	85,437	428,114
Projects	40,410	-	40,410
	<u>1,279,574</u>	<u>409,696</u>	<u>1,689,270</u>
Primary Purpose Trading Activities	1,511,588	469,146	1,980,734
Total	<u>2,791,162</u>	<u>878,842</u>	<u>3,670,004</u>

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

9. Charitable activities Charitable expenditure by cost type

	Membership Services £	Primary Purpose Trading Activities £	Central Support Costs £	Total 2020 £
Good for Resale	187,846	480,277	-	668,124
Salaries & Wages	731,614	440,604	195,457	1,367,675
Training, Development & Travel	12,235	1,002	7,125	20,362
Other Employment Costs	1,245	2,751	29,777	33,773
NUS Affiliation	43,629	-	-	43,629
Clubs & Societies – Transport, Facilities & Affiliation	52,069	2,846	-	54,915
Insurance	7,117	-	25,817	32,934
Buildings – Repairs and Cleaning	170	3,240	8,422	11,832
Essential Materials	3,348	24,091	-	27,439
Equipment and Software	4,460	27,163	12,713	44,336
Mini Bus Expenditure	17,233	-	-	17,233
Advertising and Marketing	442	2,991	950	4,383
Finance Expenses	2,306	24,743	4,538	31,587
Professional Expenses	12,890	13,143	12,848	38,881
Administration Charges	19,794	3,071	23,900	46,765
Depreciation - Refurbishment	-	12,781	-	12,781
Depreciation - Equipment	14,151	25,430	6,520	46,101
Benefit in kind - Accommodation and Services	248,364	284,404	18,228	550,996
Restricted Club and Society Costs	103,127	-	-	103,127
	1,462,041	1,348,537	346,295	3,156,873
Central Support Cost Allocation	161,435	184,860	-346,295	-
Total	1,623,476	1,533,397	-	3,156,873

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

	Membership Services £	Primary Purpose Trading Activities £	Central Support Costs £	Total 2019 £
Good for Resale	218,193	791,182	-	1,009,375
Salaries & Wages	664,581	544,188	199,427	1,408,196
Training, Development & Travel	23,569	3,925	10,633	38,127
Other Employment Costs	832	5,100	26,515	32,447
NUS Affiliation	41,158	-	-	41,158
Clubs & Societies – Transport, Facilities & Affiliation	60,225	1,863	-	62,087
Insurance	6,409	-	29,412	35,821
Buildings – Repairs and Cleaning	165	2,668	8,500	11,333
Essential Materials	1,161	31,632	-	32,793
Equipment and Software	26,163	23,439	20,728	70,330
Mini Bus Expenditure	20,385	(18)	-	20,367
Advertising and Marketing	1,774	4,621	30	6,425
Finance Expenses	2,378	28,366	11,341	42,085
Professional Expenses	19,655	22,450	24,383	66,488
Administration Charges	28,205	4,062	17,332	49,599
Depreciation - Refurbishment	-	20,520	1,189	21,709
Depreciation - Equipment	8,152	27,590	17,870	53,612
Benefit in kind - Accommodation and Services	230,553	264,008	16,921	511,482
Restricted Club and Society Costs	156,569	-	-	156,569
	1,510,127	1,775,596	384,281	3,670,004
Central Support Cost Allocation	179,143	205,138	(384,281)	-
Total	1,689,270	1,980,734	-	3,670,004

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

10. GOVERNANCE COSTS

	Total 2020 £	Total 2019 £
Audit	7,800	6,000
Insurance	1,333	952
Board away day	56	145
Board refreshments	-	551
Travel Expenses	137	155
Leaving gift	250	165
Trustee Board Training	-	1,174
Civil Subscription	550	398
	10,126	9,540

11. EXCEPTIONAL ITEMS

	Restricted £	Unrestricted £	Total 2020 £
Redundancies and exiting costs	-	9,394	9,394
Stock write-off	-	14,556	14,556
Holiday accrued during Furlough	-	4,198	4,198
Working From Home Equipment	-	2,146	2,146
SUSS Pension Deficit Revaluation	415,440	-	415,440
	415,440	30,294	445,734

	Restricted £	Unrestricted £	Total 2019 £
Redundancies and exiting costs	-	-	-
Stock write-off	-	19,895	19,895
Holiday accrued during Furlough	-	-	-
Working From Home Equipment	-	-	-
SUSS Pension Deficit Revaluation	25,515	-	25,515
	25,515	19,895	48,410

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020

12. STAFF COSTS AND NUMBERS

	Total 2020 £	Total 2019 £
Wages and salaries	1,189,393	1,242,610
National insurance	83,111	84,081
Pension costs	95,180	81,504
	<u>1,367,674</u>	<u>1,408,195</u>

Key management personnel, as disclosed on page 1, received remuneration of £174,226 (2019: £157,990).

One employee (2019- one) received remuneration in excess of £60,000.

The average number of staff employed by the charity was:

	2020 No.	2019 No.
Full time staff	45	49
Student staff	62	98
	<u>107</u>	<u>147</u>

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

13. FIXED ASSETS

	Building costs £	Motor Vehicles £	Fixtures & Equipment £	Total £
Cost				
As at 1 August 2019	1,054,665	10,909	534,990	1,600,564
Additions	-	-	30,410	30,410
As at 31 July 2020	1,054,665	10,909	565,400	1,630,974
Accumulated depreciation				
As at 1 August 2019	999,463	10,909	481,199	1,491,571
Charge for the year	22,008	-	36,871	58,879
As at 31 July 2020	1,021,477	10,909	518,070	1,550,450
Net book value				
31 July 2020	33,194	-	47,330	80,524
31 July 2019	55,202	-	53,791	108,993

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

14. FIXED ASSET INVESTMENT

	Investment in subsidiaries	Total
Cost	£	£
As at 1 August 2019 and 31 July 2020	1	1

	2020	2019
Name of company	Equity held	Equity held
	%	%
Investments in subsidiaries		
53 Degrees Events Limited	100%	100%

	Turnover	Aggregate of share capital and reserves	Profit for the year
	£	£	£
53 Degrees Events Limited	=	<u>1</u>	=

15. STOCK

	2020	2019
	£	£
Bar	13,581	13,823
Catering	1,507	1,470
Shop stock	24,091	29,416
Atrium stock	3,112	4,598
Clothing stock	8,279	-
	<u>50,569</u>	<u>49,307</u>

During the year, stock of £502,183 (2019: £785,006) was expensed to the Statement of Financial Activity.

16. DEBTORS

	2020	2019
	£	£
Trade debtors	10,473	58,277
Prepayments and accrued income	56,847	61,240
University debtor	17,696	23,136
Other debtors	19,012	14,982
	<u>104,028</u>	<u>157,635</u>

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020

17. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	52,394	97,288
Social security and other taxes	21,488	20,841
Other creditors	37,073	46,361
Accruals and deferred income	14,218	69,766
Pension liability	61,065	-
	<u>186,238</u>	<u>234,256</u>

	2020 £	2019 £
Deferred Income		
Deferred income at 1 August	44,487	400
Resources deferred during the year	-	44,487
Amounts released from previous years	(44,487)	(400)
Deferred income at 31 July	-	44,487

18. CREDITORS: Amounts falling due after more than one year

	2020 £	2019 £
Pension liability	<u>1,523,488</u>	<u>1,169,113</u>
	<u>1,523,488</u>	<u>1,169,113</u>
Repayment due as follows:		
Due 1-2 Years	147,363	81,434
Due 2-5 Years	287,563	269,556
Due 5+ Years	<u>1,088,562</u>	<u>818,123</u>
	<u>1,523,488</u>	<u>1,169,113</u>

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

19. FINANCIAL INSTRUMENTS

Financial assets that are debt instruments measured at amortised cost:

	2020 £	2019 £
Trade debtors (including University)	28,169	81,414
Accrued income	17,269	23,765
Other debtors	14,982	14,982
	<u>60,420</u>	<u>120,161</u>

Financial liabilities measured at amortised cost:

	2020 £	2019 £
Trade creditors	52,394	97,288
Accruals	14,218	69,766
Pension deficit	1,523,488	1,169,113
	<u>1,590,100</u>	<u>1,336,167</u>

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

20. RESERVES

	At 1 August 2019	Incoming resources	Resources expended	Transfers	At 31 July 2020
	£	£	£	£	£
Restricted Funds					
Pension Deficit Fund	(1,169,114)	-	(415,439)	-	(1,584,553)
Benefit in kind – Accommodation and Service	-	550,996	(550,996)	-	-
Clubs and Societies	110,748	106,293	(103,128)	(18,809)	95,104
Projects	-	7,026	(7,026)	-	-
Film Society Fund	5,113	-	-	(5,113)	-
Total Restricted Funds	(1,053,253)	664,315	(1,076,588)	(23,922)	(1,489,449)
Unrestricted Funds					
Accumulated General Fund	41,278	2,566,452	(2,526,018)	-	81,712
Total General Funds	41,278	2,566,452	(2,526,018)	-	81,712
Designated funds					
Building designated reserve	150,000	-	-	-	150,000
Film and arts designated fund	-	-	-	5,113	5,113
Sport Ball funds	4,717	-	-	-	4,717
Societies bidding reserve	-	-	-	14,298	14,298
Clubs archived	-	-	-	1,598	1,598
Societies archived	-	-	-	1,086	1,086
Clubs bidding reserve	-	-	-	1,827	1,827
Total Designated Funds	154,717	-	-	23,922	178,639
Total Unrestricted Funds	195,995	2,566,452	(2,526,018)	23,922	260,351
Total Funds	(857,258)	3,230,767	(3,602,607)	-	1,229,098

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

20. RESERVES (continued)

Pension Deficit Fund

The Union is a member of the Student Union Superannuation Scheme, a multi-employer defined benefit pension scheme. The fund value of £1.1m represents the Union's share of the scheme's deficit at a net present value, which has a recovery plan running until 2033. (Note 20 – Pensions, for more details.) Following a full review, the trustees decided to transfer this fund from general funds to restricted funds to illustrate the rules place on the deficit, for which, the trustees are bound.

Benefit in Kind – Accommodation & Services

The Students' Union occupies two university buildings which are fully maintained and serviced by the University. The non-monetary total for this support is £511k and is reported in the Statement of Financial Activities income and expenditure, page 21 and detailed in notes 4, 6 and 8.

Clubs and Society Funds

Funds raised by individual clubs and societies are recognised as restricted funds through the Statement of Financial Activities in the year the Union is entitled to the income. Expenditure is recognised against these funds in the year with any unspent funds being recognised as restricted funds available to the individual clubs and societies in future periods.

General Funds

Unrestricted general funds arising from the accumulated surplus from its various activities held to provide flexibility in the future.

Building designated reserve

In support of the master plan and the changes that will occur around the Student Unions' buildings, it is the board's strategic plan to set aside some general funds for building investment.

Sports Ball funds

Made from Sports Ball surpluses, this fund is used to support clubs and societies with a long term investment need. This fund is continuous.

Clubs/ Societies Designated Bidding/ Archived Reserves

17 groups which were inactive for two years with balances totalling £2,684 were transferred to an archive reserve. A hundred groups which were inactive for over five years with funds totalling £16,125 were transferred to a bidding reserve. Groups will be able to bid on these funds for investment into their Club or Society benefiting students on many levels.

Film and Arts Designated Fund

The Students' Union received a 'one-off' grant of funds from the University in 2008 in order to support the continued presentation of films by the Union's Film Society in the 'Mitchell and Kenyon Cinema' on Campus. As this remains unused the University have lifted their restriction and these funds have been designated for the general film and arts spend.

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

20. RESERVES (continued)

2019 Reserves Movement

	At 1 August 2018	Incoming resources	Resources expended	Transfers	At 31 July 2019
	£	£	£	£	£
Restricted Funds					
Pension deficit fund	(1,140,599)	-	(28,515)	-	(1,169,114)
Benefit in kind –					
Accommodation & Service	-	511,482	(511,482)	-	-
Clubs & Societies Fund	89,434	177,882	(156,568)	-	110,748
Hate Crime	9,938	12,365	(22,313)	-	-
Film Society Fund	5,113	-	-	-	5,113
Total Restricted Funds	(1,036,114)				
Unrestricted Funds					
Accumulated General Fund	61,736	2,971,197	(2,941,655)	(50,000)	41,278
Total General Funds	61,736	2,971,197	(2,941,655)	(50,000)	41,278
Designated funds					
Building Designated Reserve	100,000	-	-	50,000	150,000
Welcome Funding 2018	37,381	-	(37,381)	-	-
Sports Ball Funds	4,717	-	-	-	4,717
Target Sports Grant Money	3,000	-	(3,000)	-	-
Total Designated Funds	145,098	-	(40,381)	50,000	154,717
Total Unrestricted Funds	206,834	2,971,197	2,982,036	50,000	195,995
Total Funds	(829,280)	3,690,436	(3,718,414)	-	(857,258)

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

21. PENSIONS

The Charity participates in the Student Union Superannuation Scheme, a multi-employer defined benefit pension scheme whose membership consists of employees of students' unions and related bodies throughout the country. With effect from 30 September 2011 the scheme closed to future accrual.

The employers share the actuarial risks associated with all members of the scheme. The Charity is not legally responsible for the scheme and does not have sufficient information to use defined benefit accounting. Accordingly the scheme is accounted for as if it is a defined contribution scheme.

The Charity and the other employers are jointly and severally liable for the scheme's deficit. At 30 June 2019, the date of the latest available information, the SUSS scheme deficit was £140,900,000. The 2019 valuation recommended a monthly contribution requirement by each participating Employer expressed in monetary terms intended to clear the ongoing funding deficit. These contributions will be made until 2033 and will increase by at least 5% each year, with a one-off increase of 8% in October 2021.

A liability of £1,584,552 (2019 - £1,169,113) has been recognised for UCLan SU, representing the present value of the additional contributions payable between the year-end and 2033, with the resulting movement recognised in the Statement of Financial Activity under the heading of 'Pension Discount Unwinding' reporting a cost of £415,440.

As the SUSS is closed to future accrual there were no employer contributions paid into the scheme by the Union for the year ended 31 July 2020; the Union does however continue to pay funding towards the deficit. For the year ended 31 July 2019, these contributions amounted to £nil (2019: £nil). The Union, supported and funded by UCLan, took advantage of an early payment discount for advance payment of deficit contributions in 2017 which covered deficit contributions from 1 August 2017 to 30 September 2020.

The Union participates in the NUS Pension Scheme, a defined contribution scheme. During the year, contributions of £95,180 (2019: £81,020) were paid to the scheme.

22. RELATED PARTY TRANSACTIONS

The Union is a registered charity for the purposes of the Charities Act 1993. The Union is in receipt of a recurrent grant from the University of Central Lancashire (UCLan) of £1,181,710 (2019: £1,163,574).

In prior years, UCLan also provided funds of £213,644 for the SUSS pension scheme, in support of a three year advanced payment allowing the Union to take advantage of an available discount.

In addition, the Union occupies its building on a rent free basis under an informal licence subject to the Union maintaining the building in a good state of repair. In accordance with the Charities SORP (2015), the trustees have estimated that the provision of space and associated services is worth £550,996 (2019: £511,482) to the Union and have recognised this amount in the Statement of Financial Activities. Amounts due from the University at 31 July 2019 were £17,696 (2019: £23,136).

The full-time officers of the Trustee Board receive remuneration for their services as provided for within the Constitution. The aggregate amount payable under such contracts in the year was £103,622 (2019: £99,683). In addition, the Union has paid Trustees' liability insurance of £952 (2019: £952).

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

23. CONTROLLING PARTY

Control of the Union rests with the Student Council which is made up of an elected chairperson and elected student representatives. The Council decides on Union policy, mandates the trustees to put policies into action and ensures the Board of Trustees keep standards high across all aspects of the Union.

24. NET ASSETS BY FUNDS

	Restricted	Unrestricted	Total 2020
	£	£	£
Tangible Fixed Assets	-	80,524	80,524
Investments	-	1	1
Net Current Assets	95,104	118,762	213,865
Liabilities due after more than one year	(1,523,488)	-	(1,523,488)
Total Funds	(1,428,384)	199,287	(1,229,098)
Available Reserves	156,169	199,287	355,456
Accounting Reserves	(1,584,553)	-	(1,523,448)
Total Reserves	(1,428,384)	199,287	(1,229,098)

	Restricted	Unrestricted	Total 2019
	£	£	£
Tangible Fixed Assets	-	108,993	108,993
Investments	-	1	1
Net Current Assets/(Liabilities) *	115,860	87,001	202,861
Liabilities due after more than one year	(1,169,113)		(1,169,113)
Total Funds	(1,053,253)	195,995	(857,258)
Available Reserves	115,860	195,995	311,855
Accounting Reserves	(1,165,113)	-	(1,165,113)
Total Reserves	(1,053,253)	195,995	(857,258)

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

25. COMMITMENTS UNDER OPERATING LEASES

At 31 July 2020 the Students' Union had outstanding obligations under non-cancellable operating leases as set out below.

	2020 £	2019 £
Operating leases due:		
Within 1 year	4,371	7,629
Within 2 to 5 years	3,362	7,754
	<u>7,733</u>	<u>15,383</u>

26. TRUSTEES' REMUNERATION AND EXPENSES

Each of the Unions five elected Officers £18,369 for the year, as authorised in the union's governing document, for the representation, campaigning and support work they undertake as distinct from their trustees' responsibilities. This work includes voicing student opinion with the institution and local community, defending and extending the right of the students through petitions, discussion with MPs and also organising and supporting student volunteers and service provision for them. The total salary and NI costs for the elected officer team amounted to £103,622 (2019: £99,683). Included within these totals are employer pension contributions of £4,592 (2019: £2,701).

There were no other trustee-benefits for the year.

Elected Officers were reimbursed a total of £nil (2019 - £354) for the year in respect of personal travel and subsistence expenses.

27. RECONCILIATION OF OPERATING CASH FLOW

	2020 £	2019 £
Cash flows from operating activities		
Surplus for the financial year	(371,840)	(27,978)
<i>Adjustments to reconcile profit for the year to net cash from operating activities</i>		
Interest received	(1,165)	(1,325)
Depreciation	58,884	75,321
(Increase)/decrease in inventories	(1,262)	4,219
Decrease in trade and other debtors	53,606	(9,968)
Increase in trade and other creditors	(109,081)	44,713
Add back Pension Discount Unwinding Costs	415,440	28,515
Cash generated from operating activities	<u>44,582</u>	<u>113,497</u>

UNIVERSITY OF CENTRAL LANCASHIRE STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020

28. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

			2019		2018
	Note	Restricted £	Unrestricted £	Total £	Total £
INCOME FROM:					
Voluntary income	3	29,875	1,163,574	1,193,449	1,081,825
Charitable activities	4	689,364	1,798,460	2,487,824	2,725,194
Other trading activities	5	-	7,838	7,838	16,727
Investments		-	1,325	1,325	741
Income from Operations		719,239	2,970,197	3,690,436	3,824,487
EXPENDITURE ON:					
Charitable activities:					
Membership services	6-8	434,822	1,254,448	1,689,270	1,592,917
Primary purpose trading	6-8	273,041	1,707,693	1,980,734	2,054,730
Expenditure from Operations		707,863	2,962,141	3,670,004	3,647,647
Net Operating Result for the year - Surplus/(Deficit)		11,367	9,056	20,432	176,840
Exceptional Income	10	-	-	-	223,645
Exceptional Expenditure	10	-	(19,895)	(19,895)	(5,276)
Pension Discount Unwinding Cost	20	(28,515)	-	(28,515)	(33,032)
Net exceptional Items		(28,515)	(19,895)	(48,410)	185,337
Net Result for the year Surplus/(Deficit)		(17,139)	(10,839)	(27,978)	362,177
Total funds brought forward		(1,036,114)	206,834	(829,280)	(1,191,457)
Reclassification of Pension to Restricted Reserves	19	-	-	-	-
Reserves Transfer	19	-	-	-	-
		(1,053,253)	195,995	(857,258)	(829,280)
Total funds carried forward					