

University of East London Students' Union



Trustees Report
and Financial Statements
for the year ended 31 July 2016

Registered Charity Number 1150963

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

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UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

ADMINISTRATIVE INFORMATION

Charitable status

The University of East London Students' Union (UELSU) is an unincorporated charity established under the Education Act 1994. Registration and the Charity Commission commenced 26th February 2013. The charity registration number is 1150963. This follows the changes implemented on 1st October 2009 when Students Union connected with exempt further/higher education institutions were removed by section 11(9) Charities Act 2006 from the list of exempt charities in Schedule 2 to the Charities Act 1993.

Trustees

Sabbatical Officers during the year under review

<i>Post</i>	<i>to 30 June 2016</i>	<i>From 1 July 2016</i>
President	Andreas Patsalos	Stephen Amanwo
Deputy President	Jitesh Mondal	Mary Cary
Vice President	Sharif Fattah	Roosevelt Avi
Vice President	Harpreet Hansi	Ayokunle Falana
Vice President	Amirah Mohamud	Mojahar Ali

University Nominated Trustee - Nora Colton (left June 2016)

Student Trustee during the year under review -

<i>Post</i>	<i>to 30 June 2016</i>	<i>From 1 July 2016</i>
Student Governor	Annie Ferreira	Andreas Patsalos

External Trustees - Yemi Gbajobi
James Walker
Sabuj Mohammed (left October 2016)
Marina Yannakoudakis (left October 2016)

Chief Executive

Denis Shukur (from 10 August 2015)

Principal office

University of East London Students' Union
4-6 University Way
London
E16 2RD

Auditors

Crowe Clark Whitehill LLP
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

Bankers

Barclays Bank plc
Barking Road
Plaistow, London E13

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

REPORT OF THE TRUSTEES

The Trustees present their Annual Report for the year ended 31st July 2016, which includes the administrative information set out on page 1, together with the audited accounts for that year.

Structure, governance and management

UELSU is constituted under the Education Act 1994 as a charity (see page 1) with its constitution dated 2nd March 2011 and other internal regulations approved by the governing body of the University of East London (the University). UELSU's charitable objects under the Act are the advancement of education of students at the University of East London for the public benefit by

- Promoting interests and welfare of Students at the University of East London during their course of study and representing, supporting and advising students
- Being the recognised representative channel between Students and the University of East London and other external bodies; and
- Providing social, cultural and recreational activities and forums for discussions and debate for the personal development of its Students.

The Full Time Officers are elected annually by cross-campus secret ballot of the UELSU membership. These five posts are; President, Vice President ADI & Combined, Vice President (HSB & CASS), Vice President Business, Law & Psychology, Vice President Social Sciences & ACE.

At the first Trustee meeting of the newly elected officers, one of the vice presidents are elected to be the deputy by the Board. The five full time officers, four External Trustees and a University appointed Trustee are regarded as the charity trustees of UELSU for the purposes of the Charities Acts and Company Directors for the purposes of the Companies Act. The external trustees may serve a term of 4 years, renewable only once.

UELSU has been administered during the year by a Board of Trustees who delegate day to day running of UELSU to a Chief Executive (CEO) via a scheme of delegation. The CEO works closely with the Board of Trustees to ensure effect management of the charity and as head of a management team as follows:-

Deputy Chief Executive (Operations): Beverley Crawford (left 31st of October 2016)
Deputy Chief Executive (Membership): Mark Gillespie
Head of Student Support: Lisa Thomas

UELSU has recently underwent a staffing restructure which has resulted in
8 x 1 FTE posts
1 x 0.8 FTE post
1 x 0.7 FTE post
4 x 0.6 FTE posts (2 of which are vacant)

All UELSU employees are accountable to the CEO for the performance of their duties. UELSU operates on democratic principles detailed in its Constitution adopted in March 2011. As the charities Trustees, all Trustees receive an induction into their legal and administrative responsibilities, with an ongoing training programme as and when needed for issues arising during their term of office.

Pay Policy

The remuneration of the senior management team is set by the Union's Appointments and Remuneration Committee, with the policy objective of ensuring that they are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the Union's success. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to comparisons with other Unions to ensure that the Union remains sensitive to the broader issues of pay and employment conditions elsewhere. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope to be rewarded for excellence. Delivery of the Union's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

The Board of Trustees met on six occasions during 2015/2016 and Committees of the Board functioned throughout the year. In addition the elected Full time Officers meet regularly as a group and as members of the leadership team.

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

REPORT OF THE TRUSTEES

Relationship with University of East London

The relationship between the University and UELSU is established in the Regulations of the University and the Memorandum of Understanding and is detailed in the UELSU constitution.

UELSU receives a block grant from the University and part-occupies buildings owned by the University, which also pays for utilities, services and staff support. This non-monetary support is intrinsic to the relationship between the University and UELSU. As required by the Charities SORP 'Accounting and Reporting by Charities' an estimated value for these benefits has been included in the accounts totalling £180,000 this year as reported in note 1 of the accounts.

Although UELSU continues to generate a small amount of supplementary funding from various trading activities, it remains dependant on the University's financial and in-kind support.

There is no reason to believe that this or equivalent support from the University will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on the University to ensure the financial viability of its student representative body.

Risk Management

The major strategic, business and operational risks faced by UELSU have been examined. A risk register has been established and is periodically updated and scrutinised by the Audit Committee. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. These are periodically reviewed by the Finance Committee. Procedures are in place to ensure compliance with Health and Safety of all staff, volunteers and participants on all activities organised by the Union.

In addition to an external audit process UELSU is also subject to annual Internal Audit review by the University's appointed Internal Auditors.

The Union has identified two major risks

1. **Financial Sustainability:** The Union dependency upon the Universities block grant amidst dropping numbers of students would require the Union to start contemplating ideas for increasing commercial activities. The Union will aim to identify commercial streams to increase its income.
2. **Governance Effectiveness:** The Union's recent Governance Audit findings highlighted a need to ensure a greater level of training for elected officers and trustees and a need to embed a process for dealing with conflict of interests. A plan of action has been put in place to prioritise officer and trustee training and to ensure that a new bye-law is created to define conflict of interest

Aims, objectives and activities

The UELSU undertook a new strategic review which resulted in the creation of a new three year strategic plan. The purpose of the Union was redefined to the following: "we will ensure that every UEL student has an exceptional and diverse university experience that makes them feel valued, supported and empowered to break through any barrier that stands between them and their aspirations"

The Union has six key missions listed below:

1. **Life Skills:** supporting an active programme of student-led activity
 2. **Representation:** involving UEL students in all academic decision-making
 3. **Championing Diversity:** supporting the needs of individuals and communities
 4. **Sense of Belonging:** providing opportunities to discover and explore passions
 5. **Breaking down Barriers:** impacting students' everyday lives and lifelong prospects
 6. **Long-term Success:** equipping students with new skills and experiences which will make them more employable
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UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

REPORT OF THE TRUSTEES

In pursuit of these aims for the public benefit, UELSU will ensure the diversity of its membership is recognised, valued and supported and has established departments and services for use by its members and to support its work with the University and other organisations on behalf of students.

Achievements and performance

Campaigns:

Personal Tutoring: Know You Officer, Know Your Tutor focused on emphasising the importance of getting to know your personal tutor nice and early, whilst outlining what other services were available to students and who their elected officers were. Indirectly, this led the University to review its personal tutor policy. Each schools then had to demonstrate how they would implement it.

International Week: Carrying in on from the previous year, UELSU held International Week, a week-long event which aimed to be a celebration of UEL's cultural diversity. It ran from 2nd to 7th of November 2015.

Democracy and Student Engagement

Academic Representation: 522 Programme Reps were recruited. This includes our Undergraduate Reps (450) and Postgraduate Taught Reps (72)

Elections: Each year, UELSU holds elections to fill the positions of Full-Time Officers, Part-Time Officers, Volunteer Representative and more. 19% of students voted in UEL Students' Union elections in February 2016 which is an increase of 12% from last year's elections.

Societies: 76 societies were registered during the 2015-16 Academic Year. Through those societies, an estimated 1,405 students have engaged with the Students' Union.

Civic Engagement & UELSU Radio: 120 students were involved in Civic Engagement & Radio activities, volunteering a total of 924 hours. 1601 listeners to UELSU Radio live or on-demand content.

Advice Service

817 students were assisted which generated 867 distinct cases and there were 4100 interactions. UELSU Advice Service is expecting to see a high number of students over the summer period for Academic appeals, extenuation and other matters. This year, UELSU Advice Service introduced telephone appointments in response to feedback from students. They've also improved their section of the website and the information resources for students. Finally, they've worked closely with UEL departments to help improve the student experience.

Future plans

The Union will look to explore the following opportunities

1. Visibility
 - 1.1. Enhanced and more sophisticated communications capability (outbound)
 - 1.2. Increased 'active listening' and information gathering (inbound)
 - 1.3. Helping more students find a real sense of belonging at UEL
 2. Engagement Opportunities
 - 2.1. Opportunities for 'micro-engagement' with limited time / commitment
 - 2.2. Developing more structured / packaged opportunities
 - 2.3. Making the benefits of engagement more clearly defined
 3. Value and Credibility
 - 3.1. Growing in genuine influence across the University
 - 3.2. Increasing the trust and value the University places in our representation
 - 3.3. Increasing recognition amongst all stakeholders of our achievements on students' behalf
 4. Culture
 - 4.1. Developing a stronger culture of celebration and reward of achievements both internally and amongst our stakeholders
 - 4.2. Aligning our thinking with student priorities around employability and building skills for life
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UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

REPORT OF THE TRUSTEES

Financial review

UELSU's gross income from all sources this year totalled £979,856. As a consequence of close control of expenditure of £1,008,883 the membership services we provide as well as the modest fundraising and other revenue-generating activities we undertake, we ended the year with a deficit of £29,028 this reduced UELSU's reserves from £154,468 to £125,440. At the balance sheet date the charity's free reserves, being unrestricted income funds not represented by fixed assets, amounted to £120,144.

UELSU has continued to benefit from the recognition and support of the University and this year the annual block grant was £690,000. Additionally £16,000 was received for an Intern.

UELSU is currently affiliated to the NUS, for which our total subscription costs amounted to £30,626 for the year Advice UK at an annual cost of £548 and to London Citizens annual cost of £2,000. No donations were made during the year from UELSU's own resources to any external institutions.

Reserves policy

1. Reserve Policy: The Trustees agreed a reserve policy of 50 days.
2. Current Reserves are: £125,440 which equates to 45 days calculated against current level of expenditure
3. Target Reserves: £140,000 which is 50 days of current level of expenditure
4. Steps Trustee's will be taking to meet target: The Trustee board will look to look at core expenditure to identify saving and secondly the trustees' would investigate methods to increase income streams as to meet the shortfall of 5 days.

Future funding

The trustees confirm that UELSU has sufficient funds to meet all its obligations. The Block Grant for 2016/17 has been confirmed at £706k. Mutual trading activities performed better than 2015/16 but new sources of income are to be explored during 2016/17.

Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the University of East London Students' Union for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and them apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Approved by the trustees and signed on their behalf.



Stephen Amanwo
Chair of the Board of Trustees

Date

26/01/17

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements of the University of East London Students' Union for the year ended 31 July 2016 which the Statement of Financial Activities, the Balance Sheet and the related notes numbered 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2016 and of its incoming resources and application of resources 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 Charities Act 2011.

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

INDEPENDENT AUDITOR'S REPORT

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP

Statutory Auditor

Reading

Date *8 February 2017*

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

UNIVERSITY OF EAST LONDON STUDENTS' UNION
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £	2015 Total Funds £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	1	870,030	8,000	878,030	815,486
Other trading activities	2	16,349	-	16,349	3,059
Charitable activities	3	56,338	29,139	85,477	93,261
Total		<u>942,717</u>	<u>37,139</u>	<u>979,856</u>	<u>911,806</u>
EXPENDITURE ON:					
Charitable activities	4	971,745	37,139	1,008,884	877,775
Total		<u>971,745</u>	<u>37,139</u>	<u>1,008,884</u>	<u>877,775</u>
Net Income		(29,028)	-	(29,028)	34,031
Transfers between funds	14	-	-	-	-
Net movement in funds		(29,028)	-	(29,028)	34,031
RECONCILIATION OF FUNDS					
Total funds brought forward	14	154,468	-	154,468	120,437
Total funds carried forward	14	<u>125,440</u>	<u>-</u>	<u>125,440</u>	<u>154,468</u>

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

UNIVERSITY OF EAST LONDON STUDENTS' UNION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

BALANCE SHEET AS AT 31 JULY 2016

	Note	2016		2015	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10	5,296		6,796	
Investments	11	<u>3,240</u>		<u>3,240</u>	
Total fixed assets			8,536		10,036
CURRENT ASSETS					
Stock of goods for resale		-		2,634	
Debtors	12	10,734		9,347	
Cash at hand and in bank		<u>153,391</u>		<u>187,305</u>	
Total current assets		<u>164,125</u>		<u>199,286</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	13	<u>47,221</u>		<u>54,854</u>	
Net current assets/(liabilities)			116,904		144,432
Net assets/(liabilities)			<u>125,440</u>		<u>154,468</u>
THE FUNDS OF THE CHARITY					
Restricted funds					
Unrestricted funds					
Designated funds	14	5,296		6,796	
General funds	14	<u>120,144</u>		<u>147,672</u>	
Total unrestricted funds			125,440		154,468
Total charity funds	14		<u>125,440</u>		<u>154,468</u>

Approved by the trustees and signed on their behalf.



Stephen Amanwo
 Chair of the Board of Trustees

Date 26/01/17

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

ACCOUNTING POLICIES

Basis Of Accounting

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015), the Charities Act 2011, the Financial Reporting Standard for Smaller Entities (the FRSSE) and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

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

The charity adopted Charities SORP 2015 (FRSSE) in the current year and an explanation of how transition to Charities SORP 2015 (FRSSE) has affected the reported financial position and performance is given in note 17.

Statement of cash flows

The charity is exempt from preparing a cash flow statement under the FRSSE, as such no cash flow statement has been included in these financial statements.

Going Concern

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

Income recognition

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

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

Income from trading activities includes income generated by the charity's trading subsidiary. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

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

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

Recognition of expenditure

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

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

Support cost allocation

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

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

ACCOUNTING POLICIES

Resources expended (continued)

Governance costs

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

Donated services and facilities

The University of East London provides the charity with office space at no charge. As required by SORP 2015, the donation of these facilities is included as an incoming resource and a matching outgoing resource within the statement of financial activities at the trustees' estimate of their value to the charity.

Employee benefits

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

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

Pension Costs

University of East London Students' Union participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to University of East London Students' Union. Under the terms of FRS17, in these circumstances contributions are accounted for as if the Scheme were a defined contribution scheme based on actual contributions paid through the year.

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

Taxation

The charity is considered to pass the tests set out in sections 466 to 493 Corporation Tax Act 2010 (CTA 2010), as such no income tax is payable on the charity's activities.

Leases

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

Tangible Fixed Assets

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

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

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

Investments

UELSU's investments are valued at cost as these assets are not readily saleable and a reliable market value for them cannot readily be obtained.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Provision is made for damaged, obsolete and slowmoving stock where appropriate.

UNIVERSITY OF EAST LONDON STUDENTS' UNION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

ACCOUNTING POLICIES

Debtors and creditors receivable / payable within one year

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

Fund accounting

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

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

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

UNIVERSITY OF EAST LONDON STUDENTS' UNION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

1. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £
Block grant	690,030	-	690,030
Donated services and facilities	180,000	-	180,000
Other grants	-	8,000	8,000
	<u>870,030</u>	<u>8,000</u>	<u>878,030</u>

	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Block grant	635,486	-	635,486
Donated services and facilities	180,000	-	180,000
Other grants	-	-	-
	<u>815,486</u>	<u>-</u>	<u>815,486</u>

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

2. Other trading activities

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £
Bank interest received	574	-	574
Photocopying and stationery income	21	-	21
Advertising income	15,754	-	15,754
	<u>16,349</u>	<u>-</u>	<u>16,349</u>

	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Bank interest received	198	-	198
Photocopying and stationery income	43	-	43
Advertising income	2,818	-	2,818
	<u>3,059</u>	<u>-</u>	<u>3,059</u>

3. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £
Balls and events income	33,008	-	33,008
Societies income	-	13,139	13,139
Internship grant income	-	16,000	16,000
NUS and other income	23,330	-	23,330
	<u>56,338</u>	<u>29,139</u>	<u>85,477</u>

UNIVERSITY OF EAST LONDON STUDENTS' UNION
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NOTES TO THE FINANCIAL STATEMENTS

3. Income from charitable activities (continued)

	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Balls and events income	41,448	-	41,448
Societies income	-	9,789	9,789
Internship grant income	-	16,000	16,000
NUS and other income	26,024	-	26,024
	<u>67,472</u>	<u>25,789</u>	<u>93,261</u>

4. Expenditure on charitable activities

	Staff costs £	Other direct costs £	Support costs (note 5) £	2016 Total Funds £
<u>Charitable activities</u>				
Student Advice	92,974	21,198	139,669	253,841
Campaigns and Comms	67,216	17,162	103,222	187,600
Democratic Representation	71,890	16,100	107,640	195,630
Events and Entertainments	15,736	49,946	80,354	146,036
Clubs, Affiliations	25,059	32,668	86,693	144,420
Societies (restricted)	-	13,139	-	13,139
	<u>272,875</u>	<u>150,213</u>	<u>517,578</u>	<u>940,666</u>
<u>Governance</u>				
Legal and professional fees	-	12,000	-	12,000
Other governance costs	-	19,961	36,257	56,218
	<u>-</u>	<u>31,961</u>	<u>36,257</u>	<u>68,218</u>
	<u>272,875</u>	<u>182,174</u>	<u>553,835</u>	<u>1,008,884</u>
Unrestricted	256,875	161,035	553,835	971,745
Restricted	16,000	21,139	-	37,139
	<u>272,875</u>	<u>182,174</u>	<u>553,835</u>	<u>1,008,884</u>
	Staff costs £	Other direct costs £	Support costs (note 5) £	2015 Total Funds £
<u>Charitable activities</u>				
Student Advice	81,485	23,737	148,662	253,884
Retail	-	776	1,097	1,873
Campaigns and Comms	34,497	13,144	67,310	114,951
Democratic Representation	64,822	-	91,583	156,405
Events and Entertainments	13,739	52,390	93,430	159,559
Clubs, Affiliations	24,325	30,626	91,468	146,419
Societies (restricted)	-	9,789	-	9,789
	<u>218,868</u>	<u>130,462</u>	<u>493,550</u>	<u>842,880</u>
<u>Governance</u>				
Legal and professional fees	-	11,724	-	11,724
Other governance costs	-	1,200	21,971	23,171
	<u>-</u>	<u>12,924</u>	<u>21,971</u>	<u>34,895</u>
	<u>218,868</u>	<u>143,386</u>	<u>515,521</u>	<u>877,775</u>
Unrestricted	202,868	133,597	515,521	851,986
Restricted	16,000	9,789	-	25,789
	<u>218,868</u>	<u>143,386</u>	<u>515,521</u>	<u>877,775</u>

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NOTES TO THE FINANCIAL STATEMENTS

5. Support costs

	Staff costs £	Other direct costs £	2016 Total Funds £
<u>Charitable activities</u>			
Student Advice	57,251	82,418	139,669
Retail	-	-	-
Campaigns and Comms	42,311	60,911	103,222
Democratic Representation	44,122	63,518	107,640
Events and Entertainments	32,937	47,417	80,354
Clubs, Affiliations	35,536	51,157	86,693
Societies (restricted)	-	-	-
	<u>212,157</u>	<u>305,421</u>	<u>517,578</u>
<u>Governance</u>			
Governance	16,027	20,230	36,257
	<u>228,184</u>	<u>325,651</u>	<u>553,835</u>
	Staff costs £	Other direct costs £	2015 Total Funds £
<u>Charitable activities</u>			
Student Advice	63,728	84,934	148,662
Retail	470	627	1,097
Campaigns and Comms	28,854	38,456	67,310
Democratic Representation	39,259	52,324	91,583
Events and Entertainments	40,051	53,379	93,430
Clubs, Affiliations	39,210	52,258	91,468
Societies (restricted)	-	-	-
	<u>211,572</u>	<u>281,978</u>	<u>493,550</u>
<u>Governance</u>			
Governance	7,828	14,143	21,971
	<u>219,400</u>	<u>296,121</u>	<u>515,521</u>

Included in other direct costs above is donated services and facilities of £180,000 (2015: £180,000) which has been apportioned in line with other support costs as stated in the accounting policy. This relates to the provision by the University of fully serviced space to the Students' Union at a value to the Union estimated at £300 per square metre and, in the comparative year, the provision of services for the supply of the Chief Executive Officer.

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NOTES TO THE FINANCIAL STATEMENTS

6. Auditors' remuneration

	Unrestricted Funds £	Restricted Funds £	2016 Total Funds £
Current year	12,000	-	12,000
Prior year	-	-	-
	<u>12,000</u>	<u>-</u>	<u>12,000</u>
	Unrestricted Funds £	Restricted Funds £	2015 Total Funds £
Current year	11,556	-	11,556
Prior year	168	-	168
	<u>11,724</u>	<u>-</u>	<u>11,724</u>

7. Wages and salary cost

	2016 Total Funds £	2015 Total Funds £
Gross wages	455,304	393,111
Employer's national insurance costs	33,920	31,058
Pension costs	10,954	13,361
SUSS deficit funding	46,455	44,238
	<u>546,633</u>	<u>481,768</u>

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

	2016	2015
Assessed on an average headcount basis	28	23
	<u>28</u>	<u>23</u>

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

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

	2016	2015
Management	3	3
Student services	3	4
	<u>6</u>	<u>7</u>

8. Related party transactions

The union's sabbatical officers received remuneration totalling £104,592 in the year under review, as authorised under the charity's governing document, for the work they undertake in furtherance of the charity's objects rather than for carrying out their responsibilities as trustees as set out below.

	Sabbatical officers until July 16		Sabbatical officers from July 16
	£		£
Patsalos	19,167	Amanwo	1,603
Mondal	19,167	Carr	1,603
Mohamud	19,090	Ali	1,603
Fattah	19,538	Avi	1,603
Hansi	19,615	Falana	1,603
	<u>96,577</u>		<u>8,015</u>

No sabbatical officers were reimbursed travel and subsistence expenses totalling £nil during the year under review (2015: £nil).

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NOTES TO THE FINANCIAL STATEMENTS

9. Tax status

UELSU benefits from the exemptions afforded to charities in respect of taxation on surpluses arising from its charitable activities. No liability for tax therefore arises.

10. Fixed assets

	Club and societies equipment £	Computer equipment £	Fixtures & fittings £	TOTAL £
Cost				
At 1 August 2015	7,414	12,840	4,765	25,019
Additions	758	300	-	1,058
Disposals	-	-	-	-
At 31 July 2016	<u>8,172</u>	<u>13,140</u>	<u>4,765</u>	<u>26,077</u>
Depreciation				
Accumulated at 1 August 2015	6,260	7,972	3,991	18,223
Charge for the year	609	1,794	155	2,558
On disposals	-	-	-	-
At 31 July 2016	<u>6,869</u>	<u>9,766</u>	<u>4,146</u>	<u>20,781</u>
Net book value at 31 July 2016	<u>1,303</u>	<u>3,374</u>	<u>619</u>	<u>5,296</u>
Net book value at 31 July 2015	<u>1,154</u>	<u>4,868</u>	<u>774</u>	<u>6,796</u>

11. Fixed asset investments

	2016 Total Funds £	2015 Total Funds £
CBS deposit	3,240	3,240
	<u>3,240</u>	<u>3,240</u>

12. Debtors

	2016 Total Funds £	2015 Total Funds £
Trade debtors	6,635	7,960
Prepayments	1,416	1,387
Other debtors	2,683	-
	<u>10,734</u>	<u>9,347</u>

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13. Creditors

	2016	2015
	Total	Total
	Funds	Funds
	£	£
Trade creditors	7,786	9,309
Accruals	34,898	40,557
Other creditors	4,537	4,988
	<u>47,221</u>	<u>54,854</u>

14. Analysis of net movement in funds

	Total funds	Total	Total	Transfers	Total funds
	brought	incoming	resources	between	carried
	forward	resources	expended	funds	forward
	£	£	£	£	£
Restricted funds					
Societies funds	-	13,139	(13,139)	-	-
Internship fund	-	16,000	(16,000)	-	-
Strategic and governance review fund	-	8,000	(8,000)	-	-
	<u>-</u>	<u>37,139</u>	<u>(37,139)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
Capital reserve	6,796	-	-	(1,500)	5,296
Total designated funds	6,796	-	-	(1,500)	5,296
General fund	147,672	966,717	(995,745)	1,500	120,144
Total unrestricted funds	<u>154,468</u>	<u>966,717</u>	<u>(995,745)</u>	<u>-</u>	<u>125,440</u>
Total funds	<u>154,468</u>	<u>1,003,856</u>	<u>(1,032,884)</u>	<u>-</u>	<u>125,440</u>

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

Internship fund represents monies received to employ and Events Intern responsible for both organising and supporting events and activities that appeal to the University's academically and culturally diverse community and in addition developing opportunities that inspire and reward students for taking involved roles.

Strategic and governance review fund represent monies received towards the cost of a strategic and governance review.

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

15. Commitments

	2016	2015
	Total	Total
	Funds	Funds
	£	£
UELSU has operating lease commitments for plant and machinery expiring in:		
Two to five years	<u>2,860</u>	<u>2,860</u>

UNIVERSITY OF EAST LONDON STUDENTS' UNION

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NOTES TO THE FINANCIAL STATEMENTS

16. Pensions

University of East London Students' Union participates in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the Scheme closed to future accrual.

The most recent Valuation of the Scheme was carried out as at 30 June 2013 and showed that the market value of the Scheme's assets was £80,910,623 with these assets representing 52% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £73,849,000.

The assumptions which have the most significant effect upon the results of the Valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The following assumptions applied at 30 June 2013:-

- The investment return would be 6.1% per annum before retirement and 4.1% per annum after retirement
- Pensions accruing on the CARE basis would revalue at 3.6% per annum.
- Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2013 Valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 17 years and will increase by at least 5% each year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2014 and will be formally reviewed following completion of the next Valuation due with an effective date of 30 June 2016. Surpluses or deficits which arise at future valuations will also impact on University of East London Students' Union's future contribution commitment. In addition to the above contributions, University of East London Students' Union also pays its share of the Scheme's levy to the Pension Protection Fund.

The total contributions paid into the Scheme by University of East London Students' Union in respect of eligible employees for the year ended 31 July 2016 amounted to £46,455 (2015: £44,238).

Defined Contributions Pension Scheme

Since 1 October 2011, all participating employees have been in a new defined contribution pension scheme with Scottish Equitable. Contributions are at the rate of 7.7% for the employer and the % for the employee differs per member. The Union's cost of contribution in the year amounted to £10,954 (2015: £13,361).

The total contributions paid into the scheme by the Union in respect of eligible employees for the year ended 31 July 2015 amounted to £57,409 (2015: £57,599), including deficit funding contributions.

17. First time adoption of SORP 2015 (FRSSE)

The charity has adopted the Charities SORP 2015 (FRSSE) for the first time in the year ended 31 July 2016 and therefore the date of transition was 1 August 2014.

There is no effect on the financial statements of transition from SORP (2005) to SORP 2015 (FRSSE).

