

CHARITY NUMBER: 1143103  
COMPANY REGISTRATION NUMBER: 7710669

# **London School of Economics Students' Union**

**(Limited by guarantee)**

## **Annual Report and Accounts 2019**

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**London School of Economics Students' Union**  
**Annual Report and Accounts 2019**  
**Company Information**

**Registered office:** LSE Students' Union  
Saw Swee Hock Student Centre  
1 Sheffield Street  
London  
WC2A 2AP

**Board of trustees:** Chair of Board of Trustees: Zulum Elumogo

Martha Kehinde Funmilayo Ojo  
William Barber (Appointed on 01 July 2019)  
Andrea Solis (Appointed on 31 October 2018)  
David Gordon (Appointed on 01 January 2019)  
Jack Boyd (Appointed on 01 July 2019)  
Inka Pearson (Appointed on 01 July 2019)  
Peter Elliot (Resigned on 24 August 2018)  
Naveed Kabir (Resigned on 04 April 2019)  
Yuvraj Khetan (Resigned on 01 July 2019)  
Faye Lewis (Resigned on 01 July 2019)  
Hannah Nairn (Resigned on 01 July 2019)  
Krishnan Puri Sudhir (Resigned on 01 July 2019)  
Bilal Saqib (Resigned on 01 July 2019)  
Cecil Stein (Resigned on 01 July 2019)  
Paul Vella (Resigned on 01 July 2019)

**Professional advisors: Auditors**

Crowe U.K. LLP  
Registered auditors  
Aquis House  
49 – 51 Blagrove Street  
Reading  
RG1 1PL

**Bankers**

NatWest  
Connaught House  
65 Aldwych  
London  
WC2B 4DS

**Solicitors**

Bates Wells and Braithwaite  
2 – 6 Cannon Street  
London  
EC4M 6YH

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# **London School of Economics Independent Auditors Report for the year ended 31 July 2019**

## **Independent Auditor's Report to the Trustees of London School of Economics Students' Union Opinion**

### **Opinion**

We have audited the financial statements of London School of Economics Students' Union for the year ended 31 July 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow 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 2019 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.

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# **London School of Economics Independent Auditors Report for the year ended 31 July 2019**

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

## **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit 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 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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**London School of Economics Students' Union**  
**Independent Auditor's Report**  
**for the year ended 31 July 2019**

**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](http://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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**[This report has not yet been signed]**

Janette Joyce

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

**Reading**

**[Date]**

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**London School of Economics Students' Union**  
**Statement of Financial Activities**  
**for the year ended 31st July 2019**

	Notes	General Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
<b>Gross Income</b>					
<b>Donations:</b>					
Block Grant		1,046,671	-	<b>1,046,671</b>	1,007,849
Other University Grants		213,319	300,000	<b>513,319</b>	216,993
Other Grants		6,790	-	<b>6,790</b>	68,964
Space Grant		1,409,678	-	<b>1,409,678</b>	1,398,001
Capital Grant		-	-	-	31,751
<b>Other Trading Activities:</b>					
Commercial Activities		1,925,108	-	<b>1,925,108</b>	2,110,729
Media Sales		44,956	-	<b>44,956</b>	56,156
<b>Income from Investments</b>		4,011	-	<b>4,011</b>	1,032
<b>Charitable activities for students:</b>					
Clubs and Societies		-	1,345,041	<b>1,345,041</b>	1,818,383
<b>Other Income</b>		<u>18,077</u>	-	<u>18,077</u>	<u>25,629</u>
<b>Total income</b>		<u><b>4,668,610</b></u>	<u><b>1,645,041</b></u>	<u><b>6,313,651</b></u>	<u><b>6,735,487</b></u>
 <b>Expenditure On</b>					
<b>Raising Funds</b>					
		46,211	-	<b>46,211</b>	40,960
<b>Charitable Activities for students:</b>					
Commercial Activities		2,608,166	-	<b>2,608,166</b>	2,521,111
Student Activities		662,206	169,660	<b>831,866</b>	762,237
Student Engagement		1,130,498	-	<b>1,130,498</b>	1,086,184
Student Support		411,861	-	<b>411,861</b>	338,815
Clubs and Societies		-	1,227,880	<b>1,227,880</b>	1,897,334
<b>Total expenditure</b>	3-7	<u><b>4,858,942</b></u>	<u><b>1,397,540</b></u>	<u><b>6,256,482</b></u>	<u><b>6,646,641</b></u>
 <b>Net income and movement in funds</b>					
<b>Net income and movement in funds</b>	5	(190,332)	247,501	<b>57,169</b>	88,846
Fund balances brought forward		<u>(1,120,717)</u>	<u>592,016</u>	<u><b>(528,701)</b></u>	<u>(617,547)</u>
<b>Fund balances carried forward</b>	12	<u><b>(1,311,049)</b></u>	<u><b>839,517</b></u>	<u><b>(471,532)</b></u>	<u><b>(528,701)</b></u>

**London School of Economics Students' Union**  
**Company Registration Number 7710669**  
**Balance Sheet**  
**at 31st July 2019**

		2019		2018	
	Notes	£	£	£	£
<b>Fixed Assets</b>					
Tangible fixed assets	8		23,025		39,963
<b>Current Assets</b>					
Stock		29,376		126,836	
Debtors & prepayments	9	603,455		634,608	
Cash at bank & in hand		1,116,301		796,580	
		<u>1,749,132</u>		<u>1,558,024</u>	
<b>Current Liabilities</b>					
Creditors: Amounts due within one year	10	<u>(710,731)</u>		<u>(593,730)</u>	
			<u>1,038,401</u>		<u>964,294</u>
<b>Net Current Assets</b>					
			<u>1,061,426</u>		<u>1,004,257</u>
<b>Total Assets less Current Liabilities</b>					
<b>Long term Liabilities</b>					
Pension Scheme Funding deficit	16		(1,532,958)		(1,532,958)
<b>Net Liabilities</b>					
			<u>(471,532)</u>		<u>(528,701)</u>
<b>Reserves</b>					
Restricted Funds			839,517		592,016
Unrestricted Funds:					
General Funds		115,788		200,000	
Designated Funds		106,121		212,241	
Pension Deficit		<u>(1,532,958)</u>		<u>(1,532,958)</u>	
			<u>(1,311,049)</u>		<u>(1,120,717)</u>
<b>Total Funds</b>					
	13		<u>(471,532)</u>		<u>(528,701)</u>

Approved and authorised for issue on behalf of the London School of Economics Students' Union on

03.12.2019



Zulum Elumogo  
LSESU General Secretary 2018-2020

Notes 1 to 20 form part of these accounts

**London School of Economics Students' Union**  
**Cashflow statement**  
**For the year ended 31st July 2019**

		2019	2018
		£	£
<b>Net cash generated by operating activities</b>	18	<u>322,430</u>	<u>247,686</u>
<b>Cash flows from investing activities:</b>			
Interest income		4,011	1,032
Purchase of fixed assets	8	<u>(6,720)</u>	<u>(11,487)</u>
<b>Net cash used in investing activities</b>		<u>(2,709)</u>	<u>(10,455)</u>
<b>Change in cash and cash equivalents in the year</b>		319,721	237,231
Cash and cash equivalent brought forward		<u>796,580</u>	<u>559,349</u>
<b>Cash and cash equivalents carried forward</b>		<u><u>1,116,301</u></u>	<u><u>796,580</u></u>
<b>Reconciliation to Balance Sheet:</b>			
Cash at Bank and in hand		<u><u>1,116,301</u></u>	<u><u>796,580</u></u>

Notes 1 to 20 form part of these accounts.

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**London School of Economics Students' Union**  
**Notes to the accounts**  
**For the year ended 31st July 2019**

## **1 Accounting Policies**

### **a. Company Information**

The London School of Economics Students' union is an incorporated charity: a private limited company limited by guarantee and charity registered in the UK (Charity number 1143103. Company Number: 07710669). Its registered office is at LSE Students' Union, Saw Swee Hock Student Centre, 1 Sheffield Street, London, WC2A 2AP.

The principal activities are campaigning, representation, provision of social activities and the organisation of sporting and recreational activities and opportunities. The Charity meets the definition of a public benefit entity.

### **b. Basis of preparation**

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the 2015 Charities Statement of Recommended Practice based thereon - the Charities SORP.

### **c. Going Concern**

After making enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities in the Annual Report.

### **d. Incoming Resources**

All income and capital resources are recognised in the accounts when the entitlement to the income or endowment arises, there is probable economic benefit to the Union and the amount can be reliably quantified.

Grants received are credited to income according to the period to which they relate and treated as unrestricted unless restrictions are specified by the provider relating to spending of that income, in which case they are treated as restricted.

Income from commercial activities includes amounts received in exchange for supplying goods and services through the Union's bar, catering, gym and retail outlets, with amounts recognised based on the date of sale.

Media sale income includes sponsorship relating to Fresher Fair stalls, which is accounted for when the contractual entitlement to the income arises, and NUS Extra card income which is accounted for based on sales arising in the period.

Club and societies' income includes membership, sponsorship and grant income which is treated as restricted.

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**London School of Economics Students' Union**  
**Notes to the accounts**  
**For the year ended 31st July 2019**

**1 Accounting Policies (continued)**

**e. Resources expended**

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Expenditure includes irrecoverable VAT and comprises the direct and indirect costs of delivering public benefit. Governance costs are those incurred for compliance with constitutional and statutory requirements, such as the annual audit, annual elections and training for sabbatical officers.

Other central overhead costs, as well as governance costs, are apportioned to charitable and other projects/activities on a usage basis, pro rata to the total costs of each project or activity undertaken.

**f. Termination benefits**

Termination benefits are accounted following a commitment by legislation, by contractual or other agreements with employees to make payments (or provide other benefits) to employees when the Union terminates their employment.

**g. Tangible fixed assets**

Fixed assets are stated at cost less accumulated depreciation. Assets are not capitalised below £3,000 cost per item/set. Equipment, fixtures and fittings are included at cost. Depreciation is provided at the following annual rates in order to write the cost of assets off over their estimated useful lives:-

Fixtures and Fittings	25% per annum on cost
Computer and Office Equipment	25% per annum on cost
Improvements to Buildings	10% per annum on cost

**h. Pension costs**

Retirement benefits to employees of the Union are provided through two pension schemes, one defined benefit (SUSS), the other defined contribution (NUSPS).

**SUSS**

The Union participates in the Students' Union Superannuation Scheme (SUSS), 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 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 LSESU. However the Union has entered into an arrangement to clear the scheme deficit over a 15 year period from 1 October 2018. The Net Present Value of LSESU's contributions as part of this plan are reflected as a liability on the balance sheet, which will reduce as they are paid.

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**London School of Economics Students' Union**  
**Notes to the accounts**  
**For the year ended 31st July 2019**

**1 Accounting Policies (continued)**

**Defined Contribution Scheme**

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year. Contributions are at the rate of 3% for the employer and 3% for the employee. Pensions costs are charged in the period in which the salaries to which they relate are payable.

**i. Leased assets**

Rentals payable under operating leases are charged as expenditure on a straight line basis over the period of the lease.

**j. Stock**

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

**k. Debtors**

Short term debtors are measured at transaction price, less any impairment

**l. Financial instruments**

The charity holds only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments include cash debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at fair value. Cash is cash at bank and in hand.

**m. Creditors**

Short term creditors are measured at transaction price.

**n. Fund accounting**

London School of Economics Students' Union administers and accounts for a number of charitable funds, as follows:-

- Unrestricted Funds representing unspent income which may be used for any activity/purpose at the Trustees' own discretion;
  - Restricted funds raised and administered by the Union for specific purposes as determined by students, such as Club and Societies Accounts, as well as revenue received for purposes specified by the donor and also (if not material enough to require a separate column in the SoFA) any small capital grants received from the School.
  - Custodian Funds entrusted to the Union for safekeeping, but not under its management control, e.g. Clubs & Societies' funds. Such custodian activities are disclosed in the Annual Report, but as the funds are not managed by the Union they cannot be included in the accounts.
  - Designated Funds for the eventual replacement of gym equipment which the Union anticipates needing to cover from its own funds and a development fund to support Union infrastructure improvements.
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**London School of Economics Students' Union**  
**Notes to the accounts**  
**For the year ended 31st July 2019**

**2 Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty**

Preparation of the financial statements requires management to make judgements and estimates. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are that of the SUSS pension scheme deficit. A discount rate of 2.25% (2018: 2.58%) has been used in line with industry standards. Other assumptions used are salary inflation and staff changes that total 5.0% each year.

**3 Charitable and other Activity costs**

	<b>Cost of Sales £</b>	<b>Staff £</b>	<b>Other £</b>	<b>Total £</b>
<b>Raising Funds</b>	-	9,446	36,765	<b>46,211</b>
<b>Charitable Activities for students:</b>				
Commercial Activities	750,506	857,170	1,000,490	<b>2,608,166</b>
Student Activities	-	261,244	400,962	<b>662,206</b>
Student Engagement	-	536,429	594,069	<b>1,130,498</b>
Student Support	-	154,533	257,328	<b>411,861</b>
	-			
<b>Other Fund Expenditure:</b>				
Restricted funds	-	-	1,397,540	<b>1,397,540</b>
<b>Total costs</b>	<b>750,506</b>	<b>1,818,822</b>	<b>3,687,154</b>	<b>6,256,482</b>

Included above are governance costs which include the annual audit fee of £15,325 (2018: £17,279).

**4 Central Overhead Costs included in Note 3**

	<b>Usage</b>	<b>Staff £</b>	<b>Rent &amp; Rates £</b>	<b>Other £</b>	<b>Total £</b>
<b>Resources expended</b>					
<b>Raising Funds</b>	2%	9,446	26,576	10,189	<b>46,211</b>
<b>Charitable Activities for Students:</b>					
Commercial Activities	43%	203,086	571,388	219,027	<b>993,501</b>
Student Activities	14%	66,121	186,033	71,311	<b>323,465</b>
Student Engagement	29%	136,965	385,355	147,716	<b>670,036</b>
Student Support	12%	56,675	159,457	61,124	<b>277,256</b>
<b>Totals</b>	<b>100%</b>	<b>472,293</b>	<b>1,328,809</b>	<b>509,367</b>	<b>2,310,469</b>

**London School of Economics Students' Union**  
**Notes to the accounts**  
**For the year ended 31st July 2019**

**4 Central Overhead Costs included in Note 3 (continued)**

<b>Other Costs comprised:-</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Irrecoverable VAT	<b>107,597</b>	67,476
Bank Charges	<b>3,326</b>	53,258
Insurance	<b>34,884</b>	36,394
Consultancy and Professional Fees	<b>27,574</b>	37,832
Affiliations and subscriptions	<b>41,282</b>	39,492
Audit Fee	<b>12,703</b>	24,372
Training and Development	<b>10,362</b>	17,279
Telephone	<b>8,033</b>	14,545
Printing and Photocopying	<b>5,795</b>	10,104
Depreciation (non-commercial assets)	<b>11,848</b>	9,813
Office Stationery and Minor Equipment	<b>19,202</b>	9,000
Recruitment Expenses	-	7,362
Sundry Costs	<b>226,760</b>	30,308
<b>Total</b>	<b><u>509,366</u></b>	<b><u>357,235</u></b>

**5 Net income**

<b>Net income for the year is stated after charging</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation	<b>23,658</b>	54,224
Auditor's Remuneration	<b><u>15,325</u></b>	<b><u>17,279</u></b>

**6 Staff Costs**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries (Full Time Staff)	<b>1,267,546</b>	1,179,333
Wages and salaries (Part Time Staff) Social security	<b>295,009</b>	334,724
	<b>122,768</b>	115,160
Pension costs – current scheme	<b>29,811</b>	27,499
Pension costs – deficit contributions/revaluation	<b>101,110</b>	14,841
Other staff costs	<b><u>2,578</u></b>	<b><u>27,499</u></b>
	<b><u>1,818,822</u></b>	<b><u>1,700,871</u></b>

No employee (2018: 0) earned over £60,000 per annum. The aggregate employee benefits of key management personnel including employers National Insurance and employers pension costs were £280,308 (2018: £251,026).

The accounts include termination payments totalling £43,008 (2018: £23,455). The redundancies made were a result of the dissolution of the partnership between Arts SU and LSE SU.

The Union employed an average of 48 (2018: 54) permanent staff members during the year, which equated to an average full-time equivalent of 37 (2018: 43) staff posts. 72 (2018: 74) student and temporary staff members were employed.

**London School of Economics Students' Union**  
**Notes to the accounts**  
**For the year ended 31st July 2019**

**7 Trustees' Remuneration and Expenses**

Sabbatical officers are paid as authorised in the Union's governing document, for the representation, campaigning and support work they undertake as distinct from their trustee responsibilities. This work included voicing student opinion with the University and local community, defending and extending the rights of students through petitions etc. and also organising and supporting student volunteers and service provision for them.

The total salary and social security costs for the 5 (2018: 5) sabbatical officers amounted to £134,464 (2018: £139,376). Full time sabbatical officers in post were paid a salary of £27,271 (2018: £29,456) for 11 months of the year whilst the new Sabbatical officers were paid £2,479 (2018: £2,455) for one month of the year, with the Postgraduate Officers being paid for a part-time role paid on a pro-rata basis.

5 (2018: 4) trustees were reimbursed a total of £1,295 (2018: £1,158) in connection with their duties during the period. The expenses reimbursed during the year related to training and attendance at conferences and meetings.

**8 Tangible Fixed Assets**

	<b>Gym Equipment</b>	<b>Other Fixtures, Fittings &amp; Equipment</b>	<b>Total</b>
	£	£	£
<b>COST</b>			
At 1 August 2018	255,612	107,372	<b>362,984</b>
Additions	-	<u>6,720</u>	<u><b>6,720</b></u>
<b>At 31st July 2019</b>	<u><b>255,612</b></u>	<u><b>114,092</b></u>	<u><b>369,704</b></u>
<b>DEPRECIATION</b>			
At 1 August 2018	253,382	69,639	<b>323,021</b>
Charge for the year	<u>2,222</u>	<u>21,436</u>	<u><b>23,658</b></u>
<b>At 31st July 2019</b>	<u><b>255,604</b></u>	<u><b>91,075</b></u>	<u><b>346,679</b></u>
<b>NET BOOK VALUE</b>			
<b>At 31st July 2019</b>	<u><b>8</b></u>	<u><b>23,017</b></u>	<u><b>23,025</b></u>
<i>At 31 July 2018</i>	<u><u>2,230</u></u>	<u><u>37,733</u></u>	<u><u>39,963</u></u>

**9 Debtors**

	<b>2019</b>	<i>2018</i>
	£	£
Trade debtors	347,905	184,221
VAT debtor	-	26,744
Other debtors	26,995	185,261
Prepayments	<u>228,555</u>	<u>238,382</u>
	<u><b>603,455</b></u>	<u><b>634,608</b></u>

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<b>10</b>	<b>Creditors: Amounts due within one year</b>	<b>2019</b>	<b>2018</b>
		£	£
	Trade creditors	193,413	136,048
	Social security & other taxes	36,585	30,958
	Accruals & Deferred income	403,228	370,670
	Other creditors	77,505	56,054
		<u>710,731</u>	<u>593,730</u>

<b>11</b>	<b>Deferred Income</b>	<b>2019</b>	<b>2018</b>
		£	£
	Balance as at 1 <sup>st</sup> August 2018	316,913	260,116
	Amount released to income earned from charitable activities	(316,913)	(260,116)
	Amount deferred in year	237,831	316,913
	Balances as at 31 <sup>st</sup> July 2019	<u>237,831</u>	<u>316,913</u>

Deferred income includes a proportion of space grant relating to future periods of £236,960 (2018: £224,876) and other items totalling £871 (2018: £92,037), including venue hire.

**12 Funds**

	<b>1 August 2018</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>Transfers</b>	<b>31 July 2019</b>
	£	£	£	£	£
<b>Unrestricted Funds:</b>					
General Funds	200,000	4,668,610	(4,858,942)	106,120	115,788
Designated Funds	212,241	-	-	(106,120)	106,121
Pension Fund Deficit	<u>(1,532,958)</u>	-	-	-	<u>(1,532,958)</u>
	<u>(1,120,717)</u>	<u>4,668,610</u>	<u>(4,858,942)</u>	-	<u>(1,311,049)</u>
<b>Restricted Funds:</b>					
Clubs and Societies	429,853	1,337,875	(1,214,607)	-	553,121
Clubs and Societies: Annual Fund	109,343	5,566	(13,273)	-	101,636
Other University restricted grants	10,897	301,600	(127,737)	-	184,760
Sport England	<u>41,923</u>	-	<u>(41,923)</u>	-	-
	<u>592,016</u>	<u>1,645,041</u>	<u>(1,397,540)</u>	-	<u>839,517</u>
<b>Total Funds</b>	<u>(528,701)</u>	<u>6,313,651</u>	<u>(6,256,482)</u>	-	<u>(471,532)</u>

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Designated funds relate to a fund for replacement of gym equipment of £106,121 (2018: £106,121) and a development fund of £nil (2018 :£106,120) to support Union infrastructure improvements.

**Funds – comparison note**

	<i>1 August 2017</i> £	<i>Incoming Resources</i> £	<i>Outgoing Resources</i> £	<i>Transfers</i> £	<i>31 July 2018</i> £
<i>Unrestricted Funds:</i>					
<i>General Funds</i>	200,000	4,830,943	(4,724,171)	(106,772)	200,000
<i>Designated Funds</i>	105,469	-	-	106,772	212,241
<i>Pension Fund Deficit</i>	<u>(1,586,411)</u>	<u>-</u>	<u>53,453</u>	<u>-</u>	<u>(1,532,958)</u>
	<u>(1,280,942)</u>	<u>4,830,943</u>	<u>(4,670,718)</u>	<u>-</u>	<u>(1,120,717)</u>
<i>Capital Fund</i>	<u>31,751</u>	<u>-</u>	<u>(31,751)</u>	<u>-</u>	<u>-</u>
<i>Restricted Funds:</i>					
<i>Clubs and Societies</i>	377,747	1,450,818	(1,398,712)	-	429,853
<i>Clubs and Societies: Annual Fund</i>	240,400	367,565	(498,622)	-	109,343
<i>Other University restricted grants</i>	13,497	-	(2,600)	-	10,897
<i>Sport England</i>	<u>-</u>	<u>86,161</u>	<u>(44,238)</u>	<u>-</u>	<u>41,923</u>
	<u>631,644</u>	<u>1,904,544</u>	<u>(1,944,172)</u>	<u>-</u>	<u>592,016</u>
<i>Total Funds</i>	<u><u>(617,547)</u></u>	<u><u>6,735,487</u></u>	<u><u>(6,646,641)</u></u>	<u><u>-</u></u>	<u><u>(528,701)</u></u>

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**13 Analysis of Net Assets between Funds**

	Unrestricted Funds £	Restricted Funds £	Total £
Fixed Assets	23,025	-	23,025
Net current assets	198,884	839,517	1,038,401
Long Term Liabilities	<u>(1,532,958)</u>	<u>-</u>	<u>(1,532,958)</u>
	<u><b>(1,311,049)</b></u>	<u><b>839,517</b></u>	<u><b>(471,532)</b></u>

	<i>Unrestricted Funds £</i>	<i>Restricted Funds £</i>	<i>Total £</i>
<i>Fixed Assets</i>	39,963	-	39,963
<i>Net current assets</i>	372,278	592,016	964,294
<i>Long Term Liabilities</i>	<u>(1,532,958)</u>	<u>-</u>	<u>(1,532,958)</u>
	<u><i>(1,120,717)</i></u>	<u><i>592,016</i></u>	<u><i>(528,701)</i></u>

*Prior year 31 July 2018 figures were:*

**14 Control Relationship**

Ultimate control of the Union rests with its membership, represented by the Board of Trustees.

**15 Related Party Transactions**

The London School of Economics provides the Union with an annual grant as shown in the Statement of Financial Activities. The London School of Economics provides the Union with accommodation and a range of support services for which no actual charge is made, however the value of this support has been recognised in the accounts as a benefit in kind.

Net amounts due from/to the London School of Economics as at the year-end amounted to £209,040 due from the School (2018: £63,913 due from the School).

Up until 31 July 2019 LSE were in a partnership with the Student Union of the Arts. Net amounts due from the Student Union of the Arts as at the year-end amounted to £17,156 (2018: £3,850).

Amounts payable to Trustees are disclosed in Note 7 of these accounts.

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**16 Pension Costs**

***Defined benefit scheme – SUSS***

London School of Economics 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 2016 and showed that the market value of the Scheme's assets was £101.3m with these assets representing 46% 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 £119.7m.

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 2016:-

- The investment return would be 4.3% per annum before retirement and 2.3% per annum after retirement.
- Pensions accruing on the CARE basis would revalue at 3.2% per annum.
- Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2016 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 15 years from 1 October 2018 and will increase by 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 2018 and will be formally reviewed following completion of the next Valuation due with an effective date of 30 June 2019. Surpluses or deficits which arise at future valuations will also impact on the London School of Economics Students' Union future contribution commitment. In addition to the above contributions, London School of Economics Students' Union also pays its share of the Scheme's levy to the Pension Protection Fund.

A valuation of the scheme has not been formally completed and there remains various stages of consultation around the key factors specifically relating to the funding of the past deficit, including the level of contributions required, the period of the recovery plan and the level of asset performance over the period, it remains appropriate to continue to account for the past deficit obligation in accordance with the agreed plan.

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**London School of Economics Students' Union**  
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**16 Pension Costs (continued)**

However, there is a significant risk that the year-end provision for the costs of the deficit funding as calculated will not reflect the position following the final outcome of negotiations, potentially by a very significant amount depending upon what is finally agreed as regards future deficit contributions and their duration. The Union expects to have greater clarity in this respect during the next financial year.

In accordance with FRS102, the net present value of the future contributions required over 15 years to clear the funding deficit is £1,532,958 (2018: £1,532,958). In calculating this net present value annual increases of 5% have been made and a discount rate of 2.25% (2018: 2.58%) representing the typical yield of high quality corporate bonds has then been applied.

The contributions paid into the Scheme in respect of eligible employees for the year ended 31 July 2019 amounted to £101,110 (2018: £68,294).

***Defined Contribution Pension Scheme***

Since 1 October 2011, all participating employees have been in a new defined contribution pension scheme with Scottish Widows. Contributions are at variable rates up to 3% for the employer and a minimum contribution rate of 3% for the employee. The Union's cost of contribution in the year amounted to £29,811 (2018: £27,499). Contributions are accounted for as part of the Union's unrestricted funds.

**17 Financial Instruments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Financial assets measured at amortised cost	<b>1,491,201</b>	1,166,062
Financial liabilities measured at amortised cost	<b>(397,605)</b>	(245,859)

The Charity's income, expense, gains and losses in respect of financial instruments are summarised below:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Income and expenses:</b>		
Total interest income for financial assets held at amortised cost	<b>4,011</b>	1,032
Total interest expense for financial liabilities held at amortised cost	<b>3,427</b>	53,232

Financial assets held at amortised cost comprise trade debtors, other debtors and cash at bank.

Financial liabilities held at amortised cost comprise trade creditors, other creditors and accruals.

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**18. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net movement in funds	<b>57,169</b>	<b>88,846</b>
Interest Income	<b>(4,011)</b>	<b>(1,032)</b>
Add back depreciation charge	<b>23,658</b>	<b>54,224</b>
Decrease/(increase) in debtors	<b>31,153</b>	<b>156,860</b>
Decrease/ (increase) in stock	<b>97,460</b>	<b>(29,821)</b>
(Decrease)/ increase in creditors	<b>117,001</b>	<b>32,062</b>
(Decrease) in pension liability	<b>-</b>	<b>(53,453)</b>
	<b><u>322,430</u></b>	<b><u>247,686</u></b>

**19 Operating lease commitments**

At 31 July 2019 the total of the student union's future minimum lease payments under non-cancellable operating leases was:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Within 1 year	<b>23,359</b>	<b>23,359</b>
Between 1 and 5 years	<b>93,435</b>	<b>93,435</b>
More than 5 years	<b><u>101,690</u></b>	<b><u>125,113</u></b>
<b>Total</b>	<b><u>218,484</u></b>	<b><u>241,907</u></b>

**London School of Economics Students' Union**  
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**20 Comparative Statement of Financial Activities**

	<i>General Funds</i>	<i>Capital Funds</i>	<i>Restricted Funds</i>	<i>Total 2018 £</i>
<i>Gross Income</i>				
<i>Donations:</i>				
<i>Block Grant</i>	1,007,849	-	-	1,007,849
<i>Other University Grants</i>	131,904	-	85,089	216,993
<i>Other Grants</i>	68,964	-	-	68,964
<i>Space Grant</i>	1,398,001	-	-	1,398,001
<i>Capital Grant</i>	31,751	-	-	31,751
<i>Other Trading Activities:</i>				
<i>Commercial Activities</i>	2,110,729	-	-	2,110,729
<i>Media Sales</i>	56,156	-	-	56,156
<i>Income from Investments</i>	1,032	-	-	1,032
<i>Charitable activities for students:</i>				
<i>Clubs and Societies</i>	-	-	1,818,383	1,818,383
<i>Other Income</i>	24,557	-	1,072	25,629
<i>Total income</i>	<u>4,830,943</u>	<u>-</u>	<u>1,904,544</u>	<u>6,735,487</u>
<i>Expenditure On</i>				
<i>Raising Funds</i>	40,960	-	-	40,960
<i>Charitable Activities for students:</i>				
<i>Commercial Activities</i>	2,489,360	31,751	-	2,521,111
<i>Student Activities</i>	715,399	-	46,838	762,237
<i>Student Engagement</i>	1,086,184	-	-	1,086,184
<i>Student Support</i>	338,815	-	-	338,815
<i>Clubs and Societies</i>	-	-	1,897,334	1,897,334
<i>Total expenditure</i>	<u>4,670,718</u>	<u>31,751</u>	<u>1,944,172</u>	<u>6,646,641</u>
<i>Net income/(expenditure) and movement in funds</i>	160,225	(31,751)	(39,628)	88,846
<i>Fund balances brought forward</i>	(1,280,942)	31,751	631,644	(617,547)
<i>Fund balances carried forward</i>	<u>(1,120,717)</u>	<u>-</u>	<u>592,016</u>	<u>(528,701)</u>