

LSESU ANNUAL REPORT 2020

2019/20 was our first year as a standalone organisation (our partnership with Arts SU came to an end on the 31st July 2019), able to focus solely on LSE students. Our staff team and student representatives are dedicated to creating the best experience for LSE students, from incoming first year students to final year PhD candidates. Our improved NSS score for question 26 (“The students’ union (association or guild) effectively represents students’ academic interests”) is reassuring and provides confidence that we are taking steps in the right direction, especially as we saw the biggest



biggest improvement out of all Russell Group university SUs. Keeping our focus on working hard to represent and support our students during the challenges that arose from Covid-19 has allowed us to adapt and transform our approach, ensuring that the student voice is heard loud and clear across campus and throughout our community.

David

David Gordon
General Secretary

ANNUAL REPORT INTRODUCTION

LSESU IS A NOT-FOR-PROFIT ORGANISATION...

run by London School of Economics (LSE) students, for LSE students. Our aim is to help students make the most of all the life-changing experiences open to them during their time at LSE.

We've been part of LSE since 1897, and all LSE students automatically become LSESU members when they enrol. Our members join one of the UK's most active and best Students' Unions, and make it whatever they need it to be.

LSESU is a charity and a company, operating under the Education Act 1994. We're registered with the Charity Commission, and our Trustee Board has overall responsibility for the legal, strategic and financial health of the Students' Union. This means that it is the ultimate decision-maker and has collective responsibility for all activities of LSESU.

The Trustee Board makes sure we're the best we can be today, while also thinking about how we can be better for the future. The Trustee Board consists of five sabbatical officers, six students and one non-student appointed by the Trustees themselves. (Michaelmas) or second term (Lent) elections, serving one or up to two years respectively. The Trustees work

I'D BEEN PASSED AROUND THE SYSTEM, SOMETIMES IN CIRCLES, UNTIL ONE OF THE SU ADVISERS WAS FINALLY ABLE TO GIVE ME THE ANSWERS AND SUPPORT I NEEDED.

”

closely with the staff of LSESU and make major decisions about the activities and services of the Union.

The three main roles of the Trustee Board are:

To make sure everything we do: **BENEFITS** our students; To **ENSURE** that the Union is financially solvent ; To ensure that everything we do is **LEGALLY** permissible;

The Students' Union's governing document is its Constitution (Memorandum and Articles of Association) , supported by the LSESU Byelaws. These set out in detail responsibilities of the officers as well as the rules we follow. Full details of current Trustees and those who served in 2019/20 and who joined or left the Board in the period from 31st July 2019 up to the date of this report are shown on page 10.

All Trustees undertake an induction programme and are given briefings on the organisation's operations and goals.

The induction programme, delivered by the Company Secretary, covers the role of Trustee, provides an understanding of the legal responsibilities of being a Trustee, and - through meeting key Board and senior staff members - provides an appreciation of LSESU's vision, mission and values and the relationship between Trustees and staff team. Newly elected or appointed Trustees are invited to attend one or more Board meetings before taking up their positions.

The Trustees are responsible for the overall performance and strategic direction of LSESU on behalf of its members, over 12,000 students of the LSE. In this respect the Board undertakes self-assessment and further development initiatives as required, ensuring that they are committed to their own continuous improvement and effectiveness.



HOW GOVERNANCE WORKS AT LSESU

LSESU operates on democratic principles, working for and with our members, the students of LSE. The voice of students is represented by the Trustees, elected by members of LSE. The Union holds regular Union general meetings through which students are able to propose and vote on motions and supports a range of assemblies to ensure that the diversity of the student body is heard.

Day-to-day operational and staff management is delegated to the Chief Executive who is accountable to the Trustees for strategy implementation and operational performance.

Representation of students is delegated to the General Secretary who, along with fellow student officers, focuses on policy, lobbying and advocacy ensuring that the voice of LSE's students is heard.

The Trustee Board meets at least five times per year to receive reports from sub-committees, officers, staff and the Chief Executive, to review the Union's strategic and operational performance, and to review and agree organisational policies. The Union also employs a number of non-student core staff to provide continuity, consistency and knowledge in the management of its many activities. The staff team is accountable to the Chief Executive for the performance of their duties.

I AM REALLY APPRECIATIVE OF THE SUPPORT PROVIDED TO ME BY THE GRADUATION GOWN SUPPORT FUND AT LSE AS IT HAS LIGHTENED MY FINANCIAL BURDEN AND MADE IT POSSIBLE FOR ME TO ATTEND MY GRADUATION CEREMONY. THANK YOU VERY MUCH.

”

Employees

There were 44 salaried staff positions within our structure, and we had approximately 110 student staff members during the year.

Senior Leaders Salaries (Key Management Personnel)

The remuneration of senior management is consistent with the process for the rest of LSESU, 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 will be reviewed periodically including reference to comparisons with other unions to ensure that the Union remains sensitive to the broader issues of pay and employment conditions elsewhere.

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.



Statement of Trustees' Responsibilities

The Trustees (who are also directors of the charitable company for the purpose of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the charitable company and of its net incoming resources for that Year. In preparing these financial statements, the Trustees are required to:

”

Select suitable accounting policies and then apply them consistently;

Observe the methods and principles in the Charities SOR

Make judgments and accounting 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 to operate.

The Trustees are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website.

Disclosure of Information to Auditors

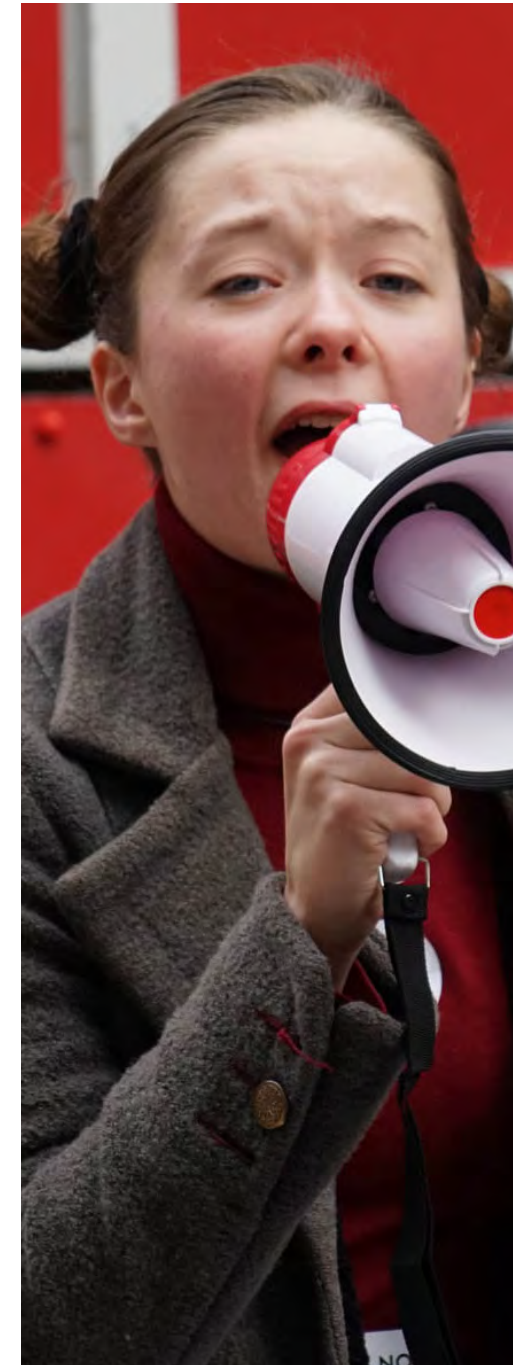
Insofar as each of the Trustees of the charitable company at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charitable company's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

On Behalf of the Trustee Board

David Gordon

David Gordon

LSESU General Secretary 2020/21,
Community & Welfare Officer 2019/20
and Chair of the Trustee Board 2020/21



FINANCE SUMMARY

INCOME

Our unrestricted income for the year decreased to £3,727,840 (£4,668,610 in 2019). This was primarily due to a fall in commercial income as operation of the LSESU shop was transferred to LSE in July 2019 combined with the impacts of Covid-19 on the Bar, Café and Gym income.

COSTS

Total expenditure from unrestricted funds before pensions deficit funding was £3,716,788 (£4,757,832 in 2019).

OUTCOMES

The outcome for the year was a general funds surplus before pension gains or losses of £11,052 (£89,222 deficit in 2019) which the Trustees deem a satisfactory result. After the pension charges, this results in a general funds deficit of £365,927 (£190,332 deficit in 2019).

RESTRICTED FUNDS

Included in restricted funds are funds for which LSESU acts as a custodian. These funds include monies held for Student Groups (ratified sports clubs and societies, which are branches of LSESU), which they have raised for themselves or monies they have raised through grants received from the School and other external organisations for specific student-facing projects. During the year there was a net surplus on restricted funds of £99,461 (£247,501 in 2019).

FUTURE FUNDING

LSESU has sufficient funds to meet its future obligations for 2020/21, but an increase in funding remains a priority. The subvention grant from LSE for 2020/21 has been confirmed at £1,085,343.

FIXED ASSETS

LSESU fixed assets stayed broadly in line with the prior year.

RESERVES

Unrestricted general reserves at the end of the year were £144,949 (£115,788 in 2019). The designated gym equipment replacement fund was transferred to general funds (£106,121 in 2019). The £1,808,338 SUSS pension liability is shown as a separate designated fund as the payments do not fall due immediately (2019 £1,532,958).

RESERVES POLICY

LSESU reserves policy is that general (unrestricted) reserves should be increased to £300,000. At this level, we believe that we would be able to continue the essential student-facing activities of the organisation in the event of a significant decline in non-School funding, whilst allowing time to re-establish or re-focus income generating activities. The Trustees have agreed to generate annual budget surpluses each year in order to achieve the £300,000 general reserves level over a number of years

RISK MANAGEMENT

The Trustees are responsible for LSESU's risk management and the effectiveness of internal controls. On behalf of the Trustees, the Senior Leadership Team performed a review of major risks and presented the outcome and the mitigating measures to the Audit and Risk Committee in February 2020. The key risks are data protection, key information sets, democracy and commercial services. Mitigating steps were identified such as data protection training, increasing the number of external Trustee Board Members, better communication and promotion of the work the Student Union has done, reviewing the Commercial services and reviewing the democratic process.

RELATIONSHIP WITH LONDON SCHOOL OF ECONOMICS

The Union receives a block grant from the School and occupies spaces in School owned buildings. The occupation and use of these spaces is set out in the Memorandum of Understanding between LSESU and the School. In addition to the provision of space, the School also pays for utilities, caretaking and cleaning staff. This support is intrinsic to the relationship between the School and LSESU. Although LSESU continues to generate supplementary funding from various mutual trading activities, it will always be dependent on the School's support. The Trustees consider it reasonable to anticipate that this or equivalent support from the School will continue for the foreseeable future, as the Education Act 1994 imposes a duty on the School to ensure the financial viability of its student representative body in one form or another. The Trustees therefore consider the Union to be financially viable for the foreseeable future. The Memorandum of Understanding was reviewed and updated in 2020

OUR IMPACT

In our first year as a standalone organisation (our partnership with Arts SU came to an end on the 31st July 2019), we have been able to achieve great things while focusing solely on our LSE students. The work carried out by our student representatives and staff team aims to improve the lives of all of our members, from incoming first year students to final year PhD candidates. Our improved NSS score for question 26 (“The students’ union (association or guild) effectively represents students’ academic interests”) provides reassurance that we are taking steps in the right direction, particularly as we saw the biggest improvement out of all Russell Group university SUs. Covid-19 has resulted in some changes to our activities, however we have continued to prioritise the needs of LSE students by being flexible and responsive throughout the campus closure.

**£37K FUNDRAISED
FOR CHARITIES
VIA RAG.**



STUDENT VOICE

LSESU exists to provide representation and give all LSE students a voice. We do this in several ways. Our Academic Representation system ensures that students are heard at a departmental level. This year, we registered 523 representatives (compared to 465 last year) and trained 376 (compared to 189 last year).

Our Union General Meetings (UGMs) give students the opportunity to create Union policy and hold their elected representatives to account. Out of the ten motions brought to a UGM, eight became policy (in comparison to three motions becoming policy in 2018/19).

As a membership-led organisation, our bi-yearly elections remain two of our most high profile activities. There were 2763 voters in our Michaelmas Term elections, which was an increase of 600 from the previous year. The number of voters in our Lent term elections was 1800, which was a decrease from the previous year, however turnout was significantly impacted by moving elections solely online due to Covid.

Our Sabbatical Officers have worked tirelessly to ensure LSE students are listened to. As well as being key voices on many LSE committees, they have organised, campaigned and lobbied in order to fulfil the promises they made when elected. Their work has resulted in additional staffing resources within the Student Wellbeing Service, a joint LSESU/LSE homelessness strategy, a unique insight into student drug use through cross campus research and targeted

Postgraduate activity. They also recognised the contribution of our members through their brand new Union Honours scheme, which celebrated the achievements of fourteen extra-ordinary students.

Covid-19 required us to respond quickly to changes within LSE, particularly around the summer assessment period. Our Sabbatical Officers raised students’ concerns with LSE senior management and held an additional Consultative Forum with the Pro-Director for Education. Regular briefings with the Advice Service and analysis of our online feedback form helped us understand the impact Covid was having on students in all aspects of their lives.

SOCIAL

We started the academic year with a newly refurbished Three Tuns bar, which played host to regular events, such as comedy nights, live music and quizzes. Having been able to secure a discounted package with BT Sport, we have been able to show sports in the bar and create events around high profile games, such as the Super Bowl. Larger scale events have taken place in our Venue, including a number of external hires to generate income (such as New Year’s Eve).

As of February 2020, our wet sales were on track to meet our income projection however we have also broadened our range of non-alcoholic options and promotions in order to provide an inclusive environment for all of our members. Our two cafés sold over ten thousand cups of coffee and one even went plastic-free, saving the planet from over seven thousand bottles. Covid-19 meant the temporary closure of our outlets for several months however we are now working hard to implement all of the necessary safety measures to welcome our members back for the academic year 2020/21.

COMMUNITIES

Our student groups are ambitious. From winning awards to organising high profile events, they showcase the dedication and commitment of LSE students. Our Activities Committee has had a busy year, approving thirty seven new groups and awarding over twenty four thousand pounds from our Activities Fund.

We have continued to improve our support offer for societies. Our new daily drop in service has had over one thousand users and received a satisfaction rating of 76%. We helped facilitate 167 committee elections with 1301 candidates, followed by the delivery of a sector-leading online training conference. This was attended by 70% of committee members and received a satisfaction rating of 84%. We also developed a new online learning platform that hosted six modules and was completed by 56% of committee members and received a satisfaction rating of 86%.

Our sport and recreation offer caters for all abilities and levels of commitment; students can opt to join one of our 44 Athletic Union Clubs, explore our Active Lifestyle classes or keep fit at our on-campus gym. Over the past year, we awarded sports clubs more than £10,000 from our Activities Fund and supported ten high performing athletes through our Sports Performance Programme.

Sport and fitness is for everyone, however we understand that barriers do exist. Our AU Executive is committed to creating an inclusive culture and continued their work on consent through a sexual harassment awareness campaign. We also ran a successful 'This Girl Can' programme, during which we collaborated with AU clubs, our gym team and external organisations to offer female only 'give it a go' sessions and a space to celebrate female students' involvement in sport.

SUPPORT

Our Advice Service provides free, independent advice to all LSE students on housing and academic matters. 538 cases were opened this year, an increase on the previous 479, and 89% of users said they would recommend the service to a friend. The Advice Service is also responsible for administering hardship funds and, largely owing to the financial impact of Covid, made a record number of awards (an increase from 20 in 2018/19 to 95 in 2019/20). Our Graduation Gown Support Fund is still in its infancy however also saw an increase in applications, from 13 to 21. Despite a significant increase in case load, over 90% of users said our response was timely or quick. Our support offer

167 SOCIETY ELECTIONS



37 NEW GROUPS APPROVED



OVER £24,000 AWARDED FROM THE ACTIVITIES FUND



extends beyond service provision. As a Union, we strive to improve the wellbeing of our members in a variety of ways, from Wind Down Wednesdays (an initiative to encourage students to take time out for themselves) to the development of a Support Map (a tool to help students find the right help and information).

In order to be truly supportive, we must prioritise inclusivity and continue to fight discrimination. Our Equality, Diversity and Inclusion strategy was approved by our Trustee Board in February and a newly developed working group is overseeing its implementation. Our Sabbatical Officers have committed us to taking tangible steps to fight racism, such as implementing unconscious bias training for all staff, and have created a student-led Black Lives Matter action group. We will also be re-launching our BME mentoring scheme, which 299 mentees and 291 mentors signed up for last year.



LOOKING AHEAD

There have been many unexpected challenges within the sector over the past year, with no resolution in sight for the foreseeable future. As a representative body, we will continue to ensure that the student voice is at the forefront of LSE's Covid response and will provide space for students to socialise, develop and form support networks (whether that's online or offline).

"Bright Network's Impact on Campus Award recognises the UK student society that has gone above and beyond to support their members and the wider university to achieve success, in terms of careers, development of new skills and personal growth. This award couldn't have been possible without the relentless work of last year's committee and commitment from our outstanding members. As the incoming committee for 2020/2021, we aim to uphold the values and ethic that allowed to BIG to win this award, and we remain committed to providing best-in-class resources to help our members develop professionally and secure their dream jobs."

Business Society"

"Working at the LSESU means being surrounded by supportive colleagues, all encouraging you to think creatively and who offer assistance in the face of any challenge. I love the collaborative effort that is present in everything that we do, as it means we're in a constant state of self-reflection and improvement. The attitude throughout the LSESU is that we want every student to have an amazing experience, and we're all willing to come together to solve any issue a student may come to us with. It's a supportive and incredibly encouraging environment to be a part of."

Megan
Academic Representation
Coordinator, LSESU



REPORT AND FINANCIAL STATEMENTS
For the year ended 31 July 2020

CONTENTS

	Page
Legal and administrative information	10
Independent Auditors' Report	11
Statement Of Financial Activities	14
Balance Sheet	15
Cash Flow Statement	16
Notes to the financial statements	17

LONDON SCHOOL OF ECONOMICS STUDENTS' UNION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS For the year ended 31 July 2020

Board of Trustees	David Gordon William Barber Bali Birch-Lee Jack Boyd Anoushka Choudhary Eleanor Duplock Zulum Elumogo Martha Kehinde Funmilayo Ojo Laura Goddard Issam Jamaledine Edouard Panciulo Inka Pearson Yusuf Rafique Andrea Solis	Chair of Board of Trustees Appointed on 15 July 2020 Resigned on 30 June 2020 Appointed on 11 November 2019 & Resigned on 30 June 2020 Appointed on 1 July 2020 Resigned on 30 June 2020 Resigned on 30 June 2020 Appointed on 1 July 2020 Appointed 11 November 2019 Appointed on 1 July 2020 Appointed on 11 November 2019 Resigned on 30 June 2020
Company Secretary		
Principal Officers	James Hann Jennifer Hastings Sarah Chowdry-Grant Jasmeet Chana (left 14 Aug 2020)	Chief Executive Officer Head of Student Voice Head of Student Communities Head of Marketing and Communications
Company reg. no.	7710669	
Charity reg. no.	1143103	
Registered office	LSE Students' Union Saw Swee Hock Student Centre 1 Sheffield Street London WC2A 2AP	
Auditors	Knox Cropper LLP 65 Leadenhall Street London EC3A 2AD	
Solicitors	Bates Wells and Braithwaite 2 – 6 Cannon Street London EC4M 6YH	
Bankers	NatWest Connaught House 65 Aldwych London WC2B 4DS	

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LONDON SCHOOL OF ECONOMICS STUDENTS' UNION FOR THE YEAR ENDED 31 JULY 2020**

We have audited the financial statements of London School of Economics Students' Union (the 'charitable company') for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

/Continued ...

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LONDON SCHOOL OF ECONOMICS STUDENTS' UNION FOR THE YEAR ENDED 31 JULY 2020**

(Continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement in the Trustees' Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

/Continued ...

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LONDON SCHOOL OF ECONOMICS STUDENTS' UNION FOR THE YEAR ENDED 31 JULY 2020**

(Continued)

Use of our report

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



Stephen Anderson (Senior Statutory Auditor)

For and on behalf of:

Knox Cropper LLP

Chartered Accountants & Statutory Auditors

65 Leadenhall Street

London

EC3A 2AD

28th October 2020

Knox Cropper LLP Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

LONDON SCHOOL OF ECONOMICS STUDENTS' UNION

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the Income and Expenditure Account)
For the year ended 31 July 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	2	3,127,133	250,000	3,377,133	2,976,458
Charitable activities	5	-	1,316,288	1,316,288	1,345,041
Other trading activities	3	589,927	-	589,927	1,970,064
Investments	4	3,432	-	3,432	4,011
Other	6	7,348	-	7,348	18,077
TOTAL		3,727,840	1,566,288	5,294,128	6,313,651
EXPENDITURE ON:					
Charitable activities		3,716,788	1,466,827	5,183,615	6,155,372
Other costs					
Pension costs - Past Service Deficit		376,979	-	376,979	101,110
TOTAL EXPENDITURE	7	4,093,767	1,466,827	5,560,594	6,256,482
Net (expenditure)/income		(365,927)	99,461	(266,466)	57,169
Transfer between funds	17	13,587	(13,587)	-	-
NET MOVEMENT IN FUNDS		(352,340)	85,874	(266,466)	57,169
RECONCILIATION OF FUNDS:					
TOTAL FUNDS AT 1 AUGUST 2019		(1,311,049)	839,517	(471,532)	(528,701)
TOTAL FUNDS AT 31 JULY 2020		£ (1,663,389)	£ 925,391	£ (737,998)	£ (471,532)

BALANCE SHEET
As at 31 July 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Tangible assets	11	11,594	23,025
Investments		-	-
		<u>11,594</u>	<u>23,025</u>
CURRENT ASSETS			
Stocks		20,767	29,376
Debtors	12	321,517	603,455
Cash at bank and in hand		1,224,762	1,116,301
		<u>1,567,046</u>	<u>1,749,132</u>
CREDITORS: amounts falling due within one year	13	(606,721)	(804,484)
NET CURRENT ASSETS		<u>960,325</u>	<u>944,648</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		971,919	967,673
CREDITORS: amounts falling due after one year	14	(1,709,917)	(1,439,205)
TOTAL NET LIABILITIES		<u>£ (737,998)</u>	<u>£ (471,532)</u>
FUNDS			
Unrestricted funds:			
Designated funds	17	(1,808,338)	(1,426,837)
General fund	17	144,949	115,788
		<u>(1,663,389)</u>	<u>(1,311,049)</u>
Restricted funds	17	925,391	839,517
		<u>£ (737,998)</u>	<u>£ (471,532)</u>

The financial statements have been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies and section 1a of the Financial Reporting Standard 102.

The financial statements were approved, and authorised for issue, by the Board of Trustees on October 28th 2020 and signed on their behalf by:-

David Gordon

DAVID GORDON , Chair of Board of Trustees

CASH FLOW STATEMENT
For the year ended 31 July 2020

	2020 £	2019 £	
Cash flows from operating activities			
(Deficit)/surplus for the financial year	(266,466)	57,169	
Adjustments for:			
Depreciation	15,557	23,658	
Decrease in stocks	8,609	97,460	
Decrease in debtors	281,938	31,153	
Increase in creditors	72,949	117,001	
Investment income	(3,432)	(4,011)	
	<u>109,155</u>	<u>322,430</u>	
Cash flows from investing activities			
Purchase of intangible fixed assets	(4,126)	(6,720)	
Return on investment - interest receivable	3,432	4,011	
	<u>(694)</u>	<u>(2,709)</u>	
Net increase in cash and cash equivalents	<u>108,461</u>	<u>319,721</u>	
Cash and cash equivalents at 1 August 2019	1,116,301	796,580	
Cash and cash equivalents at 31 July 2020	<u>£ 1,224,762</u>	<u>£ 1,116,301</u>	
Components of cash and cash equivalents			
	At 1 August 2019	Cashflows	At 31 July 2020
Cash at bank and in hand	<u>£ 1,116,301</u>	<u>£ 108,461</u>	<u>£ 1,224,762</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2020

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention. They have been prepared in accordance with applicable United Kingdom accounting standards, the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2015), in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) applicable to smaller entities (under section1a) and the Companies Act 2006. The presentational currency of the financial statements is Pound Sterling (£).

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.

Company status

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.

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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2020

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 Welcome 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.

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.

Tangible fixed assets and depreciation

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

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.

Leased assets

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2020

Stock

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial Instruments

The charity 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.

Pensions

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

In relation to the multi-employer defined benefit scheme which is closed to future accrual, as set out in note 15, full provision is made for the total agreed contributions payable to meet the fund deficit. The provision is based on the total contributions payable at the year end, discounted to net present value.

In relation to the defined contribution scheme, as set out in note 16, contribution are accounted for as they fall due.

Judgements and key sources of estimation uncertainty

Judgements and key sources of estimation uncertainty are detailed in the above accounting policies, where applicable. 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 as disclosed in note 15.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2020

2. DONATIONS AND LEGACIES

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
University Block Grant	1,058,871	-	1,058,871	1,046,671
University other grants	480,698	250,000	730,698	513,319
Other Grants	144,930	-	144,930	6,790
Space Grant	1,442,634	-	1,442,634	1,409,678
Capital Grant	-	-	-	-
	<u>£ 3,127,133</u>	<u>£ 250,000</u>	<u>£ 3,377,133</u>	<u>£ 2,976,458</u>

Comparative donations and legacies

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
University Block Grant	1,046,671	-	1,046,671
University other grants	213,319	300,000	513,319
Other Grants	6,790	-	6,790
Space Grant	1,409,678	-	1,409,678
Capital Grant	-	-	-
	<u>£ 2,676,458</u>	<u>£ 300,000</u>	<u>£ 2,976,458</u>

3. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Trading income	577,559	-	577,559	1,925,108
Event income	12,368	-	12,368	44,956
	<u>£ 589,927</u>	<u>£ Nil</u>	<u>£ 589,927</u>	<u>£ 1,970,064</u>

Comparative income from other trading activities

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Trading income	1,925,108	-	1,925,108
Event income	44,956	-	44,956
	<u>£ 1,970,064</u>	<u>£ Nil</u>	<u>£ 1,970,064</u>

NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 July 2020
4. INVESTMENT INCOME

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Interest receivable from:				
Bank interest	3,432	-	3,432	4,011
	<u>£ 3,432</u>	<u>£ Nil</u>	<u>£ 3,432</u>	<u>£ 4,011</u>

Comparative investment income

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Interest receivable from:			
Bank interest	4,011	-	4,011
	<u>£ 4,011</u>	<u>£ Nil</u>	<u>£ 4,011</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Clubs and Societies	-	1,316,288	1,316,288	1,345,041
	<u>£ Nil</u>	<u>£ 1,316,288</u>	<u>£ 1,316,288</u>	<u>£ 1,345,041</u>

6. OTHER INCOME

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Other income	7,348	-	7,348	18,077
	<u>£ 7,348</u>	<u>£ Nil</u>	<u>£ 7,348</u>	<u>£ 18,077</u>

Comparative other income

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Other income	18,077	-	18,077
	<u>£ 18,077</u>	<u>£ Nil</u>	<u>£ 18,077</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2020
7. RESOURCES EXPENDED

	Cost of sales £	Staff Costs £	Other direct costs £	Central costs £	Total 2020 £
Cost of charitable activities					
Trading activities	200,992	628,810	99,679	745,871	1,675,352
Student Communities	-	262,720	322,543	304,673	889,936
Student Representation	-	432,556	28,846	498,406	959,808
Support and advice	-	79,037	45,117	96,038	220,192
Marketing and Communications	-	152,773	-	33,117	185,890
Clubs and societies	-	-	1,252,437	-	1,252,437
Total charitable expenditure	<u>£ 200,992</u>	<u>£ 1,555,896</u>	<u>£ 1,748,622</u>	<u>£ 1,678,105</u>	<u>£ 5,183,615</u>

Central costs included in the resources expended

	Staff Costs £	Rent £	Support costs £	Total £
Cost of charitable activities				
Trading activities	104,711	563,113	182,758	850,582
Student Communities	44,089	237,100	67,573	348,762
Student Representation	72,124	387,865	110,541	570,530
Support and advice	13,898	74,738	21,300	109,936
Marketing and Communications	4,792	25,772	7,345	37,909
Total charitable expenditure	<u>£ 234,822</u>	<u>£ 1,262,816</u>	<u>£ 382,172</u>	<u>£ 1,879,810</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2020

7. RESOURCES EXPENDED (continued)

Comparative resources expended

	Cost of sales £	Staff Costs £	Other direct costs £	Central costs £	Total 2019 £
<i>Cost of charitable activities</i>					
Trading activities	750,506	813,693	210,075	790,416	2,564,690
Student Communities	-	247,089	313,279	257,344	817,712
Student Representation	-	373,574	60,998	533,071	967,643
Support and advice	-	142,399	36,747	220,581	399,727
Marketing and Communications	-	140,956	-	36,764	177,720
Clubs and societies	-	-	1,227,880	-	1,227,880
Total charitable expenditure	£ 750,506	£ 1,717,711	£ 1,848,979	£ 1,838,176	£ 6,155,372

Central costs included in the resources expended

	Staff Costs £	Rent £	Support costs £	Total £
<i>Cost of charitable activities</i>				
Trading activities	159,609	571,388	219,028	950,025
Student Communities	51,966	186,033	71,311	309,310
Student Representation	107,643	385,355	147,716	640,714
Support and advice	44,542	159,457	61,124	265,123
Marketing and Communications	7,423	26,576	10,188	44,187
Total charitable expenditure	£ 363,760	£ 1,302,233	£ 499,179	£ 2,165,172

Resources expended include:

Depreciation	- on owned assets	2020 15,557	2019 23,658
--------------	-------------------	------------------------------	------------------------------

Details of staff costs are given in Note 9.

Details of Support costs is given in Note 8.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2020

8. SUPPORT COSTS

	Total	<i>Total</i>
	2020	<i>2019</i>
	£	<i>£</i>
Irrecoverable VAT	139,620	<i>107,597</i>
Bank Charges	7,333	<i>3,326</i>
Insurance	36,327	<i>34,884</i>
Consultancy and Professional Fees	15,884	<i>27,574</i>
Affiliations and subscriptions	42,400	<i>41,282</i>
Audit Fee	13,388	<i>12,703</i>
Training and Development	9,819	<i>10,362</i>
Telephone	7,911	<i>8,033</i>
Printing and Photocopying	5,867	<i>5,795</i>
Depreciation (non-commercial assets)	8,700	<i>11,848</i>
Office Stationery and Minor Equipment	28,786	<i>19,202</i>
Recruitment Expenses	4,480	<i>14,972</i>
Website costs	19,529	<i>17,015</i>
Sundry Costs	42,128	<i>184,586</i>
	£ 382,172	<i>£ 499,179</i>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2020

9. STAFF NUMBERS AND COSTS

	2020 £	2019 £
Wages and salaries (Full Time)	1,232,529	1,267,546
Wages and salaries (Part Time)	173,385	295,009
Social security costs	120,344	122,768
Pension costs - current services costs	29,100	29,811
Other staff costs	538	2,577
	<u>1,555,896</u>	<u>1,717,711</u>
Pension costs - past services deficit	376,979	101,110
	<u>£ 1,932,875</u>	<u>£ 1,818,821</u>

	2020 Number	2019 Number
The average weekly number of employees, head-count, during the period was:		
Permanent staff	43.0	48.0
Student staff	54.0	72.0
	<u>97.0</u>	<u>120.0</u>

	2020 £	2019 £
The cost of key management was as follows:		
Sabbatical Officers	136,347	134,464
Senior management	232,385	145,844

Number of Sabbatical Officers	<u>£ 368,732</u>	<u>£ 280,308</u>
-------------------------------	------------------	------------------

One (2019 - no) employee received remuneration of more than £60,000	<u>5</u>	<u>5</u>
---	----------	----------

The accounts include termination payments totalling £nil (2019 - £43,008).

In total 110 student staff members worked in various roles during the year

The key management personnel of the Charity are those persons having authority and responsibility for planning, directing and controlling the activities of the Charity, directly or indirectly, including any Trustee of the Charity. In addition to the Trustees, key management personnel includes the Sabbatical Officers and senior management.

10. TRUSTEES REMUNERATION AND BENEFITS

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. Details are included in note 9.

1 members of the Board of Trustees received reimbursement of travel and IT expenses amounting to £292 (2019 - £1,295).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2020

11. TANGIBLE FIXED ASSETS

	Fixture and fittings £	Other fixed assets £	Total £
Cost			
At 1 August 2019	114,092	255,612	369,704
Additions	4,126	-	4,126
At 31 July 2020	<u>118,218</u>	<u>255,612</u>	<u>373,830</u>
Depreciation			
At 1 August 2019	91,075	255,604	346,679
Charge for the year	15,549	8	15,557
At 31 July 2020	<u>106,624</u>	<u>255,612</u>	<u>362,236</u>
Net book value			
At 31 July 2020	<u>£ 11,594</u>	<u>£ Nil</u>	<u>£ 11,594</u>
At 31 July 2019	<u>£ 23,017</u>	<u>£ 8</u>	<u>£ 23,025</u>

12. DEBTORS

	2020 £	2019 £
Due within one year		
Trade debtors	30,523	347,905
Prepayments	235,036	228,555
VAT repayment due	55,667	-
Other debtors	291	26,995
	<u>£ 321,517</u>	<u>£ 603,455</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2020

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	47,582	193,413
Deferred income	291,470	237,831
Social security and other taxes	32,320	31,439
Other creditors	54,984	77,505
VAT creditors	-	5,146
Pension costs - Past Service Deficit	98,421	93,753
Accruals	81,944	165,397
	<u>£ 606,721</u>	<u>£ 804,484</u>
<u>Deferred income</u>		
Balance at 1 August 2019	237,831	316,913
Amount released to incoming resources	(237,831)	(316,913)
Amount deferred in the year	291,470	237,831
Balance at 31 July 2020	<u>£ 291,470</u>	<u>£ 237,831</u>

Deferred income includes a proportion of space grant relating to future period of £241,136 (2019 - £236,960) and other items totalling £50,334 (2019 - £871), including venue hire and participation fund.

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2020 £	Group 2019 £
Pension costs - Past Service Deficit	<u>1,709,917</u>	<u>1,439,205</u>
	<u>£ 1,709,917</u>	<u>£ 1,439,205</u>

15. DEFINED BENEFIT PENSION SCHEME – SUSS

	2020 £	2019 £
Pension costs - Past Service Deficit		
Brought forward	1,532,958	1,532,958
Payments made	(93,753)	(89,284)
Unwinding of interest for the year	35,673	76,071
Adjustment to provisions	333,460	13,213
	<u>£ 1,808,338</u>	<u>£ 1,532,958</u>
Analysis:		
Due within one year	98,421	93,753
Falling due after more than one year	1,709,917	1,439,205
	<u>£ 1,808,338</u>	<u>£ 1,532,958</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2020

15. DEFINED BENEFIT PENSION SCHEME – SUSS (continued)

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 2019 and showed that the market value of the Scheme's assets was £119.1m 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 £140.9m.

The 2019 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 16 years, increasing by 5% each year (except 8% increase in year 2021-22). These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. The revised contributions represent a 18% increase on the pension deficit funding contribution and are payable over an extended period to August 2035.

Full provision is made in the accounts for the total amount of contributions payable to meet the funding deficit. The provision is based on the discounted value of future contributions. The contributions payable will be formally reviewed following completion of the next valuation due with an effective date of 30 June 2022. 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.

In calculating this net present value annual increases of 5% have been made and a discount rate of 2.25% (2019: 2.25%) representing the typical yield of high quality corporate bonds has then been applied.

16. 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 contribution rate between 3-5% for the employee. Contributions are accounted for as part of the Union's unrestricted funds.

'Pension costs - current services costs' in note 9 relate to payments made to a defined contribution pension scheme. The charitable company's liability is limited to making the payments due to the scheme on a timely basis. The liability at the 31 July 2020 is £12,317 (2019 : £11,607).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2020

17. STATEMENT OF FUNDS

	Brought Forward	Incoming Resources	Resources Expended	Transfers and investment gains/(losses)	Carried Forward
	£	£	£	£	£
DESIGNATED FUNDS					
Designated Funds	106,121	-	-	(106,121)	-
Pension Fund Deficit	(1,532,958)	-	-	(275,380)	(1,808,338)
	<u>£ (1,426,837)</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ (381,501)</u>	<u>£ (1,808,338)</u>
RESTRICTED FUNDS					
Clubs and Societies	553,121	1,316,288	(1,252,437)	-	616,972
Clubs and Societies: Annual Fund	101,636	-	(42,074)	-	59,562
Other University grants	184,760	250,000	(172,316)	(13,587)	248,857
	<u>£ 839,517</u>	<u>£ 1,566,288</u>	<u>£ (1,466,827)</u>	<u>£ (13,587)</u>	<u>£ 925,391</u>
SUMMARY OF FUNDS					
Designated Funds	(1,426,837)	-	-	(381,501)	(1,808,338)
General Funds	115,788	3,727,840	(4,093,767)	395,088	144,949
	(1,311,049)	3,727,840	(4,093,767)	13,587	(1,663,389)
Restricted Funds	839,517	1,566,288	(1,466,827)	(13,587)	925,391
	<u>£ (471,532)</u>	<u>£ 5,294,128</u>	<u>£ (5,560,594)</u>	<u>£ Nil</u>	<u>£ (737,998)</u>

Comparative statement of funds

	Brought Forward	Incoming Resources	Resources Expended	Transfers and investment gains/(losses)	Carried Forward
	£	£	£	£	£
DESIGNATED FUNDS					
Designated Funds	212,241	-	-	(106,120)	106,121
Pension Fund Deficit	(1,532,958)	-	-	-	(1,532,958)
	<u>£ (1,320,717)</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ (106,120)</u>	<u>£ (1,426,837)</u>
RESTRICTED FUNDS					
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 grants	10,897	301,600	(127,737)	-	184,760
Sport England	41,923	-	(41,923)	-	-
	<u>£ 592,016</u>	<u>£ 1,645,041</u>	<u>£ (1,397,540)</u>	<u>£ Nil</u>	<u>£ 839,517</u>
SUMMARY OF FUNDS					
Designated Funds	(1,320,717)	-	-	(106,120)	(1,426,837)
General Funds	200,000	4,668,610	(4,858,942)	106,120	115,788
	(1,120,717)	4,668,610	(4,858,942)	-	(1,311,049)
Restricted Funds	592,016	1,645,041	(1,397,540)	-	839,517
	<u>£ (528,701)</u>	<u>£ 6,313,651</u>	<u>£ (6,256,482)</u>	<u>£ Nil</u>	<u>£ 839,517</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2020

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Total Funds
	Designated Funds	General Funds		
	£	£	£	£
Tangible fixed assets	-	11,594	-	11,594
Net current assets	(1,808,338)	1,843,272	925,391	960,325
Creditors due in more than one year	-	(1,709,917)	-	(1,709,917)
	<u>£ (1,808,338)</u>	<u>£ 144,949</u>	<u>£ 925,391</u>	<u>£ (737,998)</u>

Comparative analysis of net assets between funds

	Unrestricted Funds		Restricted Funds	Total Funds
	Designated Funds	General Funds		
	£	£	£	£
Tangible fixed assets	-	23,025	-	23,025
Net current assets	(1,426,837)	1,531,968	839,517	944,648
Creditors due in more than one year	-	(1,439,205)	-	(1,439,205)
	<u>£ (1,426,837)</u>	<u>£ 115,788</u>	<u>£ 839,517</u>	<u>£ (471,532)</u>

19. OTHER FINANCIAL COMMITMENTS

	2020	2019
	£	£
At 31 July 2020 the Union had commitments under non-cancellable operating leases as set out below:		
Operating leases which expire:		
within one year	-	23,359
within two to five years	-	93,435
in over five years	-	101,690
	<u>£ Nil</u>	<u>£ 218,484</u>

The operating lease commitments were related to the shop that was transferred to The London School of Economics as a going concern on 1 August 2019. There are no other operating lease commitments

20. RELATED PARTIES

There are no related party transactions other than those disclosed in notes 9 and 10.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2020

21. RELATIONSHIP WITH LONDON SCHOOL OF ECONOMICS

The London School of Economics provides the Union with an annual grant as shown in the Statement of Financial Activities including a Space Grant which contributes to the costs which the Union incurs in occupying spaces owned by The London School of Economics. The Union pays market rate charges to The London School of Economics for this accommodation and associated support services.

22. CONTROLLING PARTY

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2019

23 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	<i>Unrestricted Funds 2019 £</i>	<i>Restricted Funds 2019 £</i>	<i>Total Funds 2019 £</i>
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	2,676,458	300,000	2,976,458
Charitable activities	-	1,345,041	1,345,041
Other trading activities	1,970,064	-	1,970,064
Investments	4,011	-	4,011
Other	18,077	-	18,077
TOTAL	4,668,610	1,645,041	6,313,651
EXPENDITURE ON:			
Charitable activities	4,757,832	1,397,540	6,155,372
Other resources expended	101,110	-	101,110
TOTAL EXPENDITURE	4,858,942	1,397,540	6,256,482
Net income	(190,332)	247,501	57,169
NET MOVEMENT IN FUNDS	(190,332)	247,501	57,169
TOTAL FUNDS AT 31 JULY 2018	(1,120,717)	592,016	(528,701)
TOTAL FUNDS AT 31 JULY 2019	£ (1,311,049)	£ 839,517	£ (471,532)