

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2020

Leeds University Union

A company limited by guarantee

Trustees' report and financial statements

31 July 2020

Company registered number 7284768

Charity registration number 1136742

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Administrative Information

Charitable Status

Leeds University Union ('LUU') is a company limited by guarantee registered in England and Wales (company number 7284768) which was incorporated on 15th June 2010. LUU was formally registered as a charity with the Charity Commission in July 2010 (registration number 1136742).

Principal Address

The registered and principal office is Leeds University Union, Lifton Place, Leeds, LS2 9JZ

The Board of Trustees

The Directors of LUU are its Trustees for the purposes of Charity Law and throughout this report are collectively referred to as the Trustees. The Trustees serving during the year and since the year end are as follows:

Student Executive Officers and Trustees	To 30.06.20	From 01.07.20
Union Affairs Officer (Chair)	Lauren Huxley	Isobel Walter
Activities Officer	Lydia Evans	Lucy Murphy
Community Officer	Catheryne Fairbairn	Charlotte Morton
Education Officer	Abiha Khan	Carolina Hall-Rodriguez
Equality and Diversity Officer	Chloe Elliott	Laila Fletcher
Welfare Officer	Amy Wells	Sophia Hartley

Student Trustees

Roland Maposa
Harry Dunbar
Emily Webb
Sreya Vadlamani

External Trustees

Colin Ions (to 11.12.19)
Asad Ali
Neil Clephan
Annabel Tonge
Oliver Laird (from 12.12.19)

Auditor

Saffery Champness LLP
Mitre House
North Park Road
Harrogate, HG1 5RX

Bank

Lloyds TSB Bank PLC
6-7 Park Row
Leeds
LS1 5JD

LUU employs a Chief Executive, Aidan Grills, who works closely with the Student Executive Officers and Trustee Board to ensure effective governance and management of the organisation. The Chief Executive is head of a Senior Leadership Team made up of Hannah Brian (Deputy Chief Executive Student Engagement), Sue Stones (Deputy Chief Executive Operations), Keith Ross (Director of Finance & Risk), Jasper Hegarty-Ditton (Director of Digital & Communications) and Antonia Frezza (Director of People & Quality).

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Trustees' Report

The Board of Trustees, who act as Directors for the purposes of Company Law, present their Annual Report for the year ended 31st July 2020 which includes the administrative information set out on page 2, Strategic Report and Directors Report for Companies Act 2006 purposes, and the audited accounts for the year.

Structure, governance and management

The primary aim of LUU is the advancement of education of students at The University of Leeds for the public benefit.

The governance of LUU is documented in its Articles of Association and its Bye-laws, which can be found on the LUU website (www.luu.org.uk).

The Board of Trustees is responsible for the strategic direction, governance and sustainability of LUU. The Board is made up of six Student Executive Officers, four Student Trustees and four External Trustees. The Student Executive Officers are elected through a secret ballot by the members each year, normally serving for one year in office but can serve a second term if re-elected. The four Student Trustees are recruited to the Board and are recommended to the Board by an appointments panel. The Student Trustees serve for a term of up to two years and a maximum of two terms as long as they remain registered students at the University of Leeds. The External Trustees are recruited to the Board to bring a wider perspective and skill set from outside of LUU. A term for External Trustees lasts for up to four years and they can also serve for two terms.

Upon appointment all trustees receive a variety of information through their induction. Trustees are briefed on their legal obligations and other trustee responsibilities. All trustees meet with the Chief Executive before their first meeting, and receive an induction information pack which includes their role responsibilities, historical and current information about LUU and information on its Strategic Plan. The trustee induction is framed around the principles of the NCVO Charity Governance Code.

Every year the Board of Trustees completes a skills audit, and new trustees also do this during induction. Trustees also take part in Peer Assessments periodically, in line with their term of appointment.

The Student Executive Officers are new to the Board every year, so they undergo a more intensive training period. This training starts after they are elected, and before they start their term of office to ensure that they are fully aware of their roles and responsibilities and can perform their duties to the best of their abilities as soon as possible. They attend training sessions on the history of governance at LUU, their legal responsibilities as trustees, briefing sessions on key issues and decisions that have been made by the Board of Trustees and receive training on how to deal with potential conflicts of interest.

An additional Student Executive Officer, the International Officer, was added to the team in June 2020. This reflects the growing importance of international students at the University of Leeds and

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the role will ensure that our global community is properly represented and that opportunities are created to share different cultures and experiences. For the year ahead this role is not designated as a trustee, whilst we reorganise the portfolios of the Executive to reflect this new role.

The Board of Trustees is supported by five sub-committees, which meet three to four times a year and focus on certain key aspects of LUU's governance and management, which are:

The Audit & Risk Committee monitors LUU's risk profile, health & safety, risk management, compliance with relevant legislation and other matters which could impact on LUU's future health. The Committee reviews and commissions internal audit work and scrutinises the annual accounts at a joint meeting with the Finance Committee.

The Finance Committee monitors LUU's financial performance, appraises requests for capital expenditure and reviews our commercial strategy. The Committee also reviews the annual budget and scrutinizes the annual accounts in a joint meeting with the Audit & Risk Committee.

The People & Values Committee examines issues relating to LUU workforce including staff policies, changes to pay (and specifically that of the Chief Executive), training and development and volunteering.

The Appointments & Governance Committee is responsible for monitoring and continuous improvement in governance arrangements at LUU. The Committee ensures that new trustees are recruited, inducted and developed properly and it also has overall responsibility for recruiting the Chief Executive.

The Engagement & Development Committee examines our approach to member engagement, including through marketing and communications, external partnerships and through LUU member-focused activities.

LUU operates on democratic principles, with Policy being acted upon by the seven elected officers who form the Student Executive. During the year members have the opportunity to bring forward ideas to one of three Union Forums to help form Policy on issues which contribute to "Better Leeds", "Better University" or "Better Union". Forums are based on the principles of deliberative and direct democracy with policy being voted for approval by a randomly selected Student Panel of 16 students, and issues that are contentious, or don't have a majority vote, are referred to Referendum. The Student Panel is demographically representative of the Leeds University student body as outlined in LUU's Bye-Laws.

The Senior Leadership Team

The Chief Executive is supported by five permanent senior executive officers that together form the Senior Leadership Team (SLT). This team provides the strategic management of LUU, managing its operations, giving leadership to its staff and ensuring that the board and its sub-committees are kept fully informed on all aspects of the organisation and are regarded as being the key management personnel of the charity outside of the trustees.

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Relationship with the University of Leeds

Under the Education Act 1994, the University of Leeds has a statutory duty to take such steps as are reasonably practicable to ensure that the Union operates in a fair and democratic manner and is held to proper account for its finances. LUU therefore works alongside the University of Leeds in ensuring that the affairs of the Union are properly conducted and that the educational and welfare needs of LUU's members are met. The formal relationship with the University is governed by a Code of Practice and LUU works closely with the University and its students to develop appropriate Bye-Laws for its working practices. The University of Leeds is not a related party as defined by the Charities FRS 102 Statement of Recommended Practice (SORP).

Aims, Objectives and Activities

The primary aim of LUU is the advancement of education of students at The University of Leeds for the public benefit. LUU achieves this through:

- promoting the interests and welfare of students at the University of Leeds during their course of study and representing, supporting and advising students;
- being the recognised representative channel between students and the University of Leeds and any other external bodies; and
- providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of students.

At all times the trustees of LUU have had regard to the Charity Commission guidance on public benefit.

Whilst pursuing our aims and objectives and providing various activities for its members LUU seeks at all times to:

- ensure that the diversity of its membership is recognised and that equal access is available to all members of whatever origin or orientation;
- pursue its aims and objectives independent of any political party or religious group; and
- pursue equal opportunities by taking positive action within the law to facilitate participation of groups discriminated against by society.

LUU provides a variety of services and activities for students including:

- Advice Centre – we continue to provide a specialist service to our members in the areas of housing, money and academic issues. We have supported many students with complex needs such as domestic violence and mental ill-health with partners in the University and the city. The process for monitoring enquiries to our Advice service has been changed this year in line with a new delivery structure, leading to a total of 24,494 enquires to our Advice team, a significant increase on the 7,501 enquiries reported in the previous year. The new monitoring process allows our Advice team to keep track of all enquiries, including those which are resolved at the first point of contact and do not require further referral which accounts for the level of increase.
- The team have embedded a new service model using the LUU foyer, and created an integrated information and advisory service, which has resulted in a lower number of

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enquiries being escalated to casework level as more enquiries can be resolved on-the-day. This has recently included the full range of services being provided remotely, including one-to-one support for complex cases.

- Activities – a choice of 330 clubs and societies offer a diversity of opportunities for social and skills development. 28,345 students registered to join an LUU club or society during the year, down from 30,721 last year. We run a “Give it a Go” programme that provides taster sessions to give students an insight into the range of activities available to them, as well as trips to many locations in the UK. We also support student-led volunteering, facilitating a wide variety of community volunteering opportunities. The Student Activities team is made up of staff and students, and also provides support, advice and help with the safe running of activities especially around health and safety, recruitment, communication, delivery and finance including fundraising and development.
- Joblink –we continued to provide part-time work for students and delivered an employability programme that provided guidance to several thousand students. Over the year we paid £942K in wages to students through our Joblink agency, slightly down on the previous year (£1,089k).
- Community Engagement – our team continue to manage and develop a range of community-based initiatives including: Housing fairs, Rooted growing project and Leave Leeds Tidy recycling. Partners in this work include other HE and FE institutions in Leeds, Unipol Student Homes and Leeds City Council.
- Campaigning and Representation - we continue to support students in campaigning for change on campus and in the city. We continued our support for school and course reps with new recruitment and training initiatives, and undertake to help students partner with their University to innovate and improve their education experience. The number of students voting in the LeadLUU this year was 6,607, a reduction of 9% compared to the previous year, but equivalent to 19% of the total student population. This year we introduced a new Officer role to represent our International Students with twelve candidates running for the role, the highest number of candidates in any category.
- Bars and Venues – a choice of five bars/cafes are open during the day and evening: Terrace, Old Bar, Common Ground, Pyramid and Balcony Café all with catering and non-alcoholic beverages. Our night time licensed venue, Stylus, provides popular late night entertainment with regular live music. This year we opened a new outlet, Scream, an ice-cream/dessert parlour. This outlet enhances our non-alcohol focused social offering and was a direct response to student feedback.
- Events – this team provide the live music and DJ’s for our venues, working with external promoters to host events in our venues. We also stage the Fresher’s events and Leeds Ball on the site of the University campus, which attracts over 6,000 students. The Leeds Ball did not take place in 2020 as the campus was closed, but it is planned again for 2021.
- Shops – operated by LUU are Co-op (convenience store operated under a franchise agreement with Co-op which replaced our own Essentials grocery store), Gear (University branded clothing) and Union Shop (stationery and cards). Operated through a tenancy arrangement are Bayfields (Opticians), Wok & Go (hot take away food), Humpit (healthy take

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away food), Pamper Me (beautician/hairdresser), Proper Pasty Company (hot take away food), Bubble Tea (Asian drinks) and Santander (bank).

- Fundraising - LUU does not undertake fundraising from the public and does not use professional fundraisers. As such no complaints procedures or further policies in this area are considered necessary. It does hold some events for its students that are designed to raise funds to support the student service activities undertaken by LUU, notably the Leeds Ball held in June each year.

Strategic Report

Achievements and Performance

In a year that was dominated in the later periods by the Covid-19 pandemic, LUU is pleased to report significant achievement and continued progress against our high level objectives. In September 2018 we launched a new 4-year Strategy, 2018-2022. This Strategy is focused towards our organisation vision 'Together we'll make sure you love your time at Leeds', and is based around achieving three core, measurable Strategic Impacts for students :

- *You are ready for your future*
- *You are happy, feeling good and having fun*
- *You are a valued member of LUU*

Activity within the plan is distributed across nine operational Missions which encompass all areas of LUU activity. Year two of the Strategy has been focused towards implementation of projects developed in year one, as well as consolidation of structural and procedural changes initiated in the first year of the plan.

The Strategic Impacts and key successes during the year were as follows:

Strategic Impact	Successes
<p><i>You are ready for your future</i> <u>Measures: -</u></p> <ul style="list-style-type: none"> • Student staff and volunteer insight: <i>I am learning and developing in LUU</i> • Student insight: <i>LUU is effectively representing my academic interests</i> • Take up of learning & volunteering opportunities • Number of student jobs created by LUU 	<ul style="list-style-type: none"> • Review of recruitment and implementation of a new system to aid application resulting in an upturn in applicants • Development of a 'Staff Voice Group' to enhance communication between staff at all levels • Engagement with the University on the subject of the BAME awarding gap and targeted discussions with faculties on diversifying their curricula
<p><i>You are happy, feeling good and having fun</i> <u>Measures: -</u></p> <ul style="list-style-type: none"> • Positive wellbeing indicator • Club and society membership • Attendances/ tickets for student programmes • Attendances/ tickets for general events 	<ul style="list-style-type: none"> • Restructure of Club & Society support to ensure a more tailored experience for committees • Continued development of the Night Market and associated events programmed with a focus on International student attendance

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Strategic Impact	Successes
<p><i>You are a valued member of LUU</i> <u>Measures:-</u></p> <ul style="list-style-type: none"> • Active digital member engagement • Student satisfaction with services • Transactions across LUU services • Footfall into LUU building (daily average) 	<ul style="list-style-type: none"> • Redevelopment and launch of a new web platform • Extensive use of Net Promoter Score feedback in outlets to improve customer service, resulting in generation of new models • Creation of the 'Scream' ice-cream parlour, a non-alcoholic social venue

Quality Management

LUU uses a number of external tools for quality assurance which link to the priorities and risks laid out in our strategic plan. In 2018, LUU was the first students' union to be re-accredited under the Quality Students' Unions (QSU) standard and was proud to have achieved the "Excellent" level in all of the 12 areas of organisational performance. This year LUU continues to hold accreditation under the Alcohol Impact scheme, and have once again been accredited at the highest possible level under both the NUS Green Impact Award and the national Best Bar None scheme.

Financial Review

This year LUU has reported a deficit of £295k, compared to a surplus of £2k in the previous year. The results have been significantly impacted by the Covid-19 pandemic, which saw the LUU building closed from March 2020 to September 2020 with the consequent loss of commercial income for that period. Staff were generally retained across the period with the salary cost largely being matched by Coronavirus Job Retention Scheme grant claims. In order to mitigate reduced income going forward a significant staffing restructure has been undertaken.

We have continued to receive the full block grant from the University of Leeds as per the current four year agreement (2018-22) with £3.5m received in the year along with the allocation of £260k from the University's strategic development fund for student education to support specific work around postgraduate research student representation, international student engagement and student attainment, opportunities and well-being. This funding is being recognised as it is spent with £166k (2019: £100k) being carried forward to be spent over the next two years.

LUU appoints internal auditors, RSM, who conducted a continuous audit during the year, which focused on testing key controls around cash and stock, along with an audit of the LUU payroll processes. Our internal Audit Working Group continues to oversee the implementation of the key recommendations from the audit reports.

Our Balance Sheet remains strong with total net assets of £3.6m (£3.9m in 2019), and a cash balance of £1.9m (£3.2m in 2019). The cash balance comprises £0.8m of LUU cash, £1.0m of cash held on behalf of student clubs and societies and £0.1m from ticket sales held on behalf of event promoters. The balance in 2019 was high due to the receipt of the following quarter's grant before the year end. Our unrestricted funds stood at £3.6m with a further £6k of restricted funds. Our general reserve is £809k at the year end.

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The free reserves of the charity are the unrestricted reserves less those funds designated for future projects and the fixed asset reserve. Our target for free reserves is a range with the low point based on the lowest cash balance over the year and the high point equivalent to one year's variable income. This year the range is between £333k and £697k the same as last year. Our free reserves of £809k (2019: £845k) are therefore comfortably above the high end of the target range as they were last year. We expect that the free reserves will reduce further in 2020-21, but will still be close to the top of the target range.

Risk Management and Control

The strategic risk register of LUU receives regular updates which are considered by the Audit and Risk Committee at each meeting with a review by the board on an annual basis. Operational risks are managed at a team level with mitigations controlled through operational planning. The key risks faced by the charity revolve around its reputation with both the University of Leeds and our student members. The University is a significant funder of the charity and we work in partnership with the University to deliver ever improving services for the students. The relationship is maintained by developing close working relationships with senior members of the University team by our trustees, particularly the elected student executive, and by the Senior Leadership Team. To meet our aims, the students need to be well represented and supported by LUU. We invest in representation and democracy teams to ensure that engagement with student is effective and any potential risk in this area is mitigated.

The Union also faces on-going financial and control risks which are mitigated through a robust budget management process and comprehensive data protection policies supported by training. LUU also invests in internal audit services supported by thorough follow-up on proposed actions by senior managers and monitored via the Audit and Risk Committee.

The Covid-19 pandemic will continue to impact LUU with social distancing measures reducing income from our commercial outlets and reducing student numbers on the university campus. LUU is grateful to the University of Leeds who indicated early on in our forecasting that they will continue to support LUU and ensure our ability to provide for the student experience. This includes a commitment to provide an exceptional grant in the next year which will be included within unrestricted income and free reserves and help LUU continue to develop plans in the future.

Future Plans

Going into the third year of the 2018-2022 Strategy we plan to continue building on the foundations created in years one and two. Plans for next year have been adapted to account for the continued impact of the Covid-19 pandemic and associated organisational restructure to cope with reduced income. Despite this context, we expect to continue progressing our Strategy, with highlights in our next year including the following:

- Further development of our staff culture including a learning programme focussed towards management of our new organisational structure
- Implementation of a new support model for clubs & societies, allowing them to benefit from expert advice

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- Continued digital development, including the integration of contactless ordering and payment systems in outlets and further development of our new web platform
- Enhanced academic engagement and pilot projects for auto-enrolment of students to their academic society
- Organisation-wide engagement with our trustee board-led racial justice action plan, ensuring that as an organisation we are actively and overtly anti-racist

Custodian Activities – Clubs and Societies and RAG

LUU acts as custodian for funds raised by the students' many clubs and societies and these funds are separately identified in the accounts. £2.1m was handled by LUU during the year with a balance of £1.0m remaining at the end of the year. This includes the annual RAG proceeds from fundraising events that are distributed to its intended charities. The RAG proceeds came to £43k in the year and £33k was held at the end of the year.

Trustees' statement

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the charitable company's auditor is unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

We wish to thank all staff at LUU for their continued commitment and hard work to make this another successful year at LUU.

Auditor

In accordance with section 487 of the Companies Act 2006, a resolution for the reappointment of Saffery Champness LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

This Trustees' report (comprising the Strategic Report and the Directors Report) was approved by the Trustees and signed on their behalf.

DocuSigned by:
Isobel Walter
CAF3D5CAD38243A...
Isobel Walter
Chair

DocuSigned by:
Annabel Tonge
5B44B91B78B24AB...
Annabel Tonge
Advisory Trustee

17 December 2020
Leeds University Union
University Square
Leeds
LS2 9JZ

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Statement of trustees' responsibilities

The trustees (who are also directors of Leeds University Union for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the reparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Leeds University Union
Independent auditor's report to the members

Opinion

We have audited the financial statements of Leeds University Union for the year ended 31 July 2020 which comprise statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

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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.

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' Annual Report which includes the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report have 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 Trustees' Annual Report.

We have nothing to report in respect of the following matters where 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees (who are also 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

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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 to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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

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

Use of our report

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

.....
Sally Appleton (Senior Statutory Auditor)
for and on behalf of

Saffery Champness LLP
Chartered Accountants
Statutory Auditors
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

DocuSigned by:
Sally Appleton
BA5578789D5B41D...

Date: 1/14/2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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Statement of financial activities for year ending 31 July 2020

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Income					
<i>Donations:</i>					
University Grant		3,527,568	-	3,527,568	3,465,576
<i>Income from charitable activities:</i>					
Bars		1,478,423	-	1,478,423	2,615,860
Venues		930,517	-	930,517	1,518,181
Shops		2,651,778	-	2,651,778	2,685,201
Student Services		975,376	-	975,376	1,142,459
Student Advice funding		61,576	-	61,576	59,375
Student representation & affiliations		95,212	-	95,212	112,515
Student Activities/Volunteering funding		269,718	-	269,718	269,138
<i>Other trading activities:</i>					
Rental Income		120,469	-	120,469	144,699
Media Sales & Conferences		230,821	-	230,821	261,330
Investment income		3,797	-	3,797	5,276
Coronavirus Job Retention Scheme Grant		844,470	-	844,470	-
Other income		27,127	-	27,127	19,169
Total		11,216,852	-	11,216,852	12,298,779
Expenditure					
<i>Expenditure on charitable activities:</i>					
Bars		2,310,237	-	2,310,237	2,796,532
Venues		1,682,219	-	1,682,219	2,101,490
Shops		3,300,198	-	3,300,198	3,186,496
Student Services		2,009,789	-	2,009,789	1,982,945
Student Advice		582,481	964	583,445	570,287
Student representation & affiliations		795,171	1,820	796,991	764,154
Student Activities/Volunteering		749,284	5,000	754,284	720,948
Media Sales & Conferences		74,377	-	74,377	173,659
Total		11,503,755	7,785	11,511,540	12,296,511
Net (expenditure)/income	2-8	(286,903)	(7,785)	(294,688)	2,268
Reconciliation of funds:					
Total funds brought forward		3,906,028	13,877	3,919,905	3,917,637
Total funds carried forward		3,619,125	6,092	3,625,217	3,919,905

The notes on pages 18 to 30 form part of these financial statements.

The charitable company has no recognised gains or losses other than the net incoming resources for the year.

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2020

Leeds University Union

Balance sheet as at 31 July 2020

	Note	2020	2019
		£	£
Fixed assets			
Tangible assets	9	2,777,810	2,976,340
Intangible assets	10	32,476	84,733
Total fixed assets		2,810,286	3,061,073
Current assets			
Stock in hand		242,193	244,322
Debtors and prepayments	11	1,053,763	535,528
Cash at bank and in hand	12	1,874,508	3,159,999
NUSSL deposit	13	6,090	6,090
Total current assets		3,176,554	3,945,939
Liabilities			
Creditors: amounts falling due within one year	14	(2,361,623)	(3,087,107)
Net current assets		814,931	858,832
Total assets less current liabilities		3,625,217	3,919,905
Total net assets		3,625,217	3,919,905
The funds of the charity			
Restricted Funds	16	6,092	13,877
<i>Unrestricted Funds:</i>			
Fixed Assets Reserve	16	2,810,286	3,061,073
General Reserve	16	808,839	844,955
Total unrestricted funds		3,619,125	3,906,028
Total charity funds		3,625,217	3,919,905

The notes on pages 18 to 30 form part of these financial statements.

Approved on behalf of Leeds University Union on the 17 December 2020 by:

Isobel Walter

DocuSigned by:
Isobel Walter
CAFA9DE6A938242A...

Chair

Annabel Tonge

DocuSigned by:
Annabel Tonge
384459157882476...

Advisory Trustee

Company registration: 7284768

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2020

Leeds University Union

Statement of cash flows for year ending 31 July 2020

	Note	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	19	(979,251)	1,182,914
Cash flows from investing activities:			
Interest income		3,797	5,276
Purchase of tangible fixed assets		(294,895)	(557,623)
Purchase of intangible fixed assets		(15,142)	(25,691)
Net cash used in investing activities		(306,240)	(578,038)
Cash flows from financing activities:			
Repayment of borrowing		-	-
Net cash used in financing activities		-	-
Increase in cash and cash equivalents in the year		(1,285,491)	604,876
Cash and cash equivalents at the beginning of the year		3,159,999	2,555,123
Cash and cash equivalents at the end of the year		1,874,508	3,159,999

The notes on pages 18 to 30 form part of these financial statements.

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2020

Notes to the Accounts

1 Accounting Policies

The Union's Articles of governance require the Trustees to prepare accounts for each financial year. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information.

(a) Accounting Convention

The company is limited by guarantee and has no share capital. It is registered as a charity under the Charities Act 2011 (registered charity number 1136742).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2015) – (charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

In considering whether or not there are any material uncertainties about the company's ability to continue as a going concern, the Trustees have taken account of several key points:

- The signing of a new 15 year lease, commencing on 16 September 2016, with the University of Leeds, which ensures continuing occupation of the LUU building at the heart of the campus over the long term
- The upgraded spaces in the LUU building as a result of the extensive building refurbishment that was completed in 2017
- The level of free reserves at the end of the year, which remain at a satisfactory level that is in excess of the reserves policy
- The agreement with the University of Leeds for an increased grant for the period 2018 to 2022 which protects the Union's main source of income into the future
- The impact of the Covid19 pandemic in light of the continued support from the University of Leeds including an additional £500k grant for 2020-21 and the mitigating actions taken by the Senior Leadership Team to ensure the continued financial sustainability of LUU.
- The outcome of several financial forecasts and scenarios that have been prepared by the trustees.

After careful consideration of the above, the Trustees have concluded that there are no material uncertainties about the company's ability to continue as a going concern.

(b) Incoming Resources

All income and capital resources are recognised in the accounts when it is probable that they will be received. Income is deferred only when the company has to fulfill conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period. Grant income is recognised in the year for which the award is made against the activity it is attributable to. The element of grant that has been received in advance has been treated as deferred income in line with the above policy. Rental income is recognised on a receivable basis.

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2020

Notes to the Accounts

1 Accounting Policies continued

Investment income comprises interest received on cash balances. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon cash receipt at the point of sale. Revenue is measured at the fair value of the consideration received, excluding discounts and VAT.

(c) Resources Expended

Charitable expenditure comprises the direct and indirect costs of delivering the public benefit. It is accounted for on an accruals basis and is recognised when the liability is incurred. Overhead costs are apportioned to activities on a basis consistent with the use of the resources. Expenditure includes irrecoverable VAT. Governance costs include those costs incurred in defining the strategic direction of the charity in particular constitutional and statutory requirements. General support costs associated with the central functions of finance, IT and human resources have been allocated across the departments on a basis consistent with the use of those resources.

(d) Cash on hand and cash equivalents

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable less overdrafts payable on demand. This includes cash held on behalf of LUU's clubs and societies and the RAG society.

(e) Fixed Assets and Depreciation

Expenditure on individual capital items or groups of related items costing less than £1,000 are written off to the income and expenditure account in the year in which they occurred. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal installments over their estimated useful economic lives as follows:

Leasehold buildings	15 years
Leasehold Improvements	10 years
Fixtures, Fittings and other equipment	5 years
Computers and other IT equipment	4 years

Expenditure directly related to the build of new web sites is capitalised as an intangible asset. Amortisation is charged to the profit and loss on a straight line basis over the useful lives of the intangible assets. Intangible assets are amortised from the date they are available for use. These assets are amortised over four years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Intangible assets are tested for impairment in accordance with FRS 102 Section 27 Impairment of assets where there is an indication that an intangible asset may be impaired.

The building is leased from the University over a 15 year period, commencing on 16 September 2016.

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2020

Notes to the Accounts

1 Accounting Policies continued

(f) Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

(g) Pension Costs

LUU participates in the University of Leeds Pensions and Assurance Scheme providing benefits based on final pensionable pay. The Union is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and, therefore accounts for the scheme as if it were a defined contribution scheme. LUU also participates in two defined contribution schemes. The amount charged to the income statement represents the contributions payable to the schemes in respect of the accounting year.

(h) Stock

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

(i) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amounts prepaid.

(j) Creditors

Creditors are recognised where the Company 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 reliably. Creditors are recognised at their settlement amount.

(k) Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognized at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(l) Fund Accounting

LUU administers and accounts for a number of charitable funds as follows:

- Unrestricted funds are those representing unspent income which may be used for any activity at the Trustees own discretion.
- Designated funds are those set aside by the Trustees to be spent on some specific purpose but remain at the discretion of the Trustees. The designation has an administrative purpose only and does not legally restrict the Trustees' discretion to apply the fund.
- Restricted funds are those received from a donor to be used for activities prescribed by the donor.

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2020

Notes to the Accounts

1 Accounting Policies continued

(m) Tax

LUU is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge has arisen in the year.

(n) Clubs and Society funds

LUU acts as custodian for the student clubs and societies, processing payments, processing receipts and holding the balance of their funds on their behalf.

2 Surplus for the financial year

The surplus for the financial year as shown in the statement of financial activities is stated after charging:

	2020	2019
	£	£
Auditor's remuneration - audit of these financial statements	12,360	12,200
Depreciation and amortisation on owned assets	532,237	467,904
Impairment of owned assets	28,587	-
Operating lease rentals	369,153	369,338

3 Charitable and Other Activity Costs

	Purchases	Staff	Support Costs	Total
	£	£	£	£
Bars	624,003	754,094	932,140	2,310,237
Venues	533,241	601,409	547,569	1,682,219
Shops	2,070,422	485,703	744,073	3,300,198
Student Services	163,529	1,340,138	506,122	2,009,789
Student Advice	17,457	324,184	241,804	583,445
Student representation	44,433	429,790	322,768	796,991
Student Activities/Volunteering	244,605	258,633	251,046	754,284
Media Sales & Conferences	13,164	48,195	13,018	74,377
Total Costs	3,710,854	4,242,146	3,558,540	11,511,540

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2020

Notes to the Accounts

4 Support Costs Included in Note 3

	Use	Staff	Premises	Marketing	Governance	Other	Total
		£	£	£	£	£	£
Bars	27%	436,705	306,464	5,642	6,005	177,324	932,140
Venues	15%	277,745	135,130	5,586	4,289	124,819	547,569
Shops	21%	324,685	246,565	6,089	2,573	164,161	744,073
Student Services	14%	277,153	98,517	7,876	5,147	117,429	506,122
Student Advice	7%	146,937	23,649	4,022	3,145	64,051	241,804
Student representation	9%	211,980	27,633	14,189	3,145	65,821	322,768
Student Activities/Volunteering	7%	144,496	38,813	4,078	2,859	60,800	251,046
Media Sales & Conferences	0%	6,682	3,219	174	100	2,843	13,018
Total Costs	100%	1,826,383	879,990	47,656	27,263	777,248	3,558,540

5 Unrestricted funds

	At beginning of year	Incoming resources	Outgoing resources	At end of year
	£	£	£	£
General funds				
Fixed assets and investments	3,061,073	310,037	(560,824)	2,810,286
Net current assets	844,955	10,906,815	(10,942,931)	808,839
	3,906,028	11,216,852	(11,503,755)	3,619,125

6 Restricted funds

	At beginning of year	Incoming resources	Outgoing resources	At end of year
	£	£	£	£
Net current assets	13,877	-	(7,785)	6,092

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2020

Notes to the Accounts

7 Staff Costs

	2020	2019
	£	£
Wages and salaries	6,068,529	5,595,109
National Insurance	330,169	329,952
Pensions	227,350	218,439
Total Costs	6,626,048	6,143,500
	2020	2019
The average staffing was as follows:		
Monthly salaried staff	170	165
Weekly paid student staff	282	329
	452	494

During our busiest week of the year, we employed 455 students on a weekly paid contract.

The total salary of the Senior Leadership Team (SLT) was £402,000 in the year (£383,000 in 2019). The salary of the Chief Executive is determined by the People and Values Committee with reference to market salary levels. The salaries of the remainder of SLT are determined by the Chief Executive again with reference to market salary levels.

Three employees were paid more than £60,000 in salary and one participates in the University of Leeds Pensions and Assurance Scheme.

Salary	Employees
£60,001 to £70,000	1
£70,001 to £80,000	1
£90,001 to £100,000	1

A settlement agreement of £10,255 for termination of employment was made during the year with one manager following a re-structuring of our Support management.

During the year a significant number of LUU staff were furloughed and claims for the salaries, employer's pension contributions and employer's National Insurance contributions of these staff were made in accordance with rules of the Coronavirus Job Retention Scheme introduced by the UK Government. The income received in this regard was £844,470, which was spent in full in the year, and both grant income and the associated staff costs are included within unrestricted transactions within the statement of financial activities.

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2020

Notes to the Accounts

8 Trustees Remuneration and Expenses

As well as having a role as a Trustee of LUU, the six Student Executive Officers perform a full time role for a year to be the voice of students. They listen to how students want things to be done, work with LUU staff, the Board of Trustees and partners to make it happen. They represent students to the University of Leeds, external organisations and the wider community.

Each of the Student Executive Officers was paid a salary of £19,406 during the year with a total cost to LUU of £133,513 (£127,231 in 2019) which includes national insurance and pension contributions. The level of salary is set out in their contract of employment.

Eight Trustees of the Board were reimbursed a total of £1,172 (£895 in 2019) for personal travel and subsistence expenses in performing their role as a Trustee.

9 Tangible fixed assets

	Leasehold buildings	Leasehold improvements	Fixtures & Equipment fittings		Total
	£	£	£	£	£
Cost					
Brought forward 1 Aug 19	3,535,056	1,763,982	1,005,437	979,616	7,284,091
Additions in the year	-	31,581	149,069	114,245	294,895
Disposals in the year	-	-	-	-	-
As at 31 July 2020	3,535,056	1,795,563	1,154,506	1,093,861	7,578,986
Depreciation					
Brought forward 1 Aug 19	1,524,792	1,459,003	660,288	663,668	4,307,751
Charge for the year	165,696	87,147	117,031	123,551	493,425
Disposals in the year	-	-	-	-	-
As at 31 July 2020	1,690,488	1,546,150	777,319	787,219	4,801,176
Net book value					
At 31 July 2020	1,844,568	249,413	377,187	306,642	2,777,810
At 31 July 2019	2,010,264	304,979	345,149	315,948	2,976,340

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2020

Notes to the Accounts

10 Intangible fixed assets

	£
Cost	
Brought forward 1 Aug 19	153,029
Additions in the year	15,142
Impairments in the year	(111,491)
As at 31 July 2020	<u>56,680</u>
Depreciation	
Brought forward 1 Aug 19	68,296
Charge for the year	38,812
Impairments in the year	(82,904)
As at 31 July 2020	<u>24,204</u>
Net book value	
At 31 July 2020	<u>32,476</u>
At 31 July 2019	<u>84,733</u>

11 Debtors and prepayments

	2020	2019
	£	£
Trade debtors	96,513	105,155
Sundry debtors and prepayments	318,157	208,869
The University of Leeds	639,093	221,504
	<u>1,053,763</u>	<u>535,528</u>

12 Cash at bank and in hand

	2020	2019
	£	£
LUU cash	764,878	2,321,662
Cash held on behalf of student clubs and societies	1,047,413	770,348
Cash from ticket sales held on behalf of event promoters	62,217	67,989
	<u>1,874,508</u>	<u>3,159,999</u>

13 Deposits

NUS Services Limited holds a deposit of £6,090 from the Union in respect of payment for monthly supplies of brewed and other products approximately equivalent to 0.3% of trading turnover.

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2020

Notes to the Accounts

14 Creditors: amounts falling due within one year	2020	2019
	£	£
Trade creditors	22,410	350,766
Sundry creditors, accruals and deferred income	727,116	998,972
Clubs and societies	1,047,413	770,348
The University of Leeds	113,992	967,021
	1,910,931	3,087,107

15 Capital commitments	2020	2019
	£	£
The Union had the following commitments for capital works at 31 July:		
Authorised and contracted	6,000	113,047

16 Analysis of Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fixed Assets and Investments	2,810,286	-	2,810,286
Net Current Assets	808,839	6,092	814,931
	3,619,125	6,092	3,625,217

Unrestricted funds are made up of the Fixed Assets Reserve of £2,810,286 and the balance remaining is the General Reserve of £808,839.

The Fixed Assets Reserve represents the balance of our fixed assets. The residual unrestricted funds represent the General Reserve of the charity.

The restricted funds are various small grants received to undertake specific projects such as helping our work in the Leeds community.

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2020

Notes to the Accounts

17 Leasing Commitments

At 31st July 2020, LUU had commitments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Plant and Machinery		
Operating leases payable within:		
1 Year	3,585	3,585
2 to 5 Years	5,485	9,070
Building		
Operating leases payable within:		
1 Year	418,001	418,001
2 to 5 Years	1,672,004	1,672,004
Over 5 years	2,559,540	2,977,541
	<u>4,658,615</u>	<u>5,080,201</u>

18 Lessors

LUU has several leases with tenants with terms varying between 5 and 14 years. Rents are fixed for 5 years and most leases include a provision for five-yearly rent reviews according to prevailing market conditions. There are no options in place for either party to extend the lease terms.

At 31st July 2020, LUU had contracts with tenants for the following minimum lease payments:

	2020	2019
	£	£
1 Year	95,202	115,574
2 to 5 Years	343,725	417,771
Over 5 years	262,814	346,167
	<u>701,741</u>	<u>879,512</u>

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2020

Notes to the Accounts

19 Reconciliation of net expenditure to net cash flow from operating activities

	2020	2019
	£	£
Net income/(expenditure) for the year	(294,688)	2,268
Adjustments for:		
Depreciation and amortisation	532,237	467,904
Impairment of fixed assets	28,587	-
Interest receivable from investments	(3,797)	(5,276)
Decrease/(increase) in stocks	2,129	(36,900)
(Increase)/decrease in debtors	(518,235)	92,585
(Decrease)/Increase in creditors	(725,484)	662,333
Net cash (utilised)/provided by operating activities	(979,251)	1,182,914

Net Debt

	1 August 2019		Cash Flows	Other non-cash	31 July 2020	
	£	£		Movements	£	£
Cash at bank and in hand	3,159,999	(1,285,491)		-	1,874,508	
Debt due within one year	-	-		-	-	-
Debt due after one year	-	-		-	-	-
Net funds	3,159,999	(1,285,491)		-	1,874,508	

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2020

Notes to the Accounts

20 Prior year Statement of Financial Activities

Leeds University Union

Statement of financial activities for year ending 31 July 2019

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Income					
<i>Donations:</i>					
University Grant		3,465,576	-	3,465,576	2,941,753
<i>Income from charitable activities:</i>					
Bars		2,615,860	-	2,615,860	2,710,613
Venues		1,518,181	-	1,518,181	1,374,974
Shops		2,685,201	-	2,685,201	2,281,860
Student Services		1,142,459	-	1,142,459	994,597
Student Advice funding		59,375	-	59,375	33,683
Student representation & affiliations		112,515	-	112,515	77,147
Student Activities/Volunteering funding		269,138	-	269,138	177,620
<i>Other trading activities:</i>					
Rental Income		144,699	-	144,699	146,293
Premises hire and conferences		5,311	-	5,311	32,976
Sponsorship and Marketing income		256,019	-	256,019	213,050
Investment income		5,276	-	5,276	950
Other income		19,169	-	19,169	55,111
Total		12,298,779	-	12,298,779	11,040,627
Expenditure					
<i>Expenditure on charitable activities:</i>					
Bars		2,796,532	-	2,796,532	2,901,506
Venues		2,101,490	-	2,101,490	2,076,467
Shops		3,186,496	-	3,186,496	2,545,184
Student Services		1,982,945	-	1,982,945	1,726,212
Student Advice		568,826	1,461	570,287	437,526
Student representation & affiliations		759,375	4,779	764,154	723,948
Student Activities/Volunteering		715,948	5,000	720,948	794,478
Premises hire and conferences		173,659	-	173,659	145,490
Total		12,285,271	11,240	12,296,511	11,350,811
Net (expenditure)/income	2-8	13,508	(11,240)	2,268	(310,184)
Reconciliation of funds:					
Total funds brought forward		3,892,520	25,117	3,917,637	4,227,821
Total funds carried forward		3,906,028	13,877	3,919,905	3,917,637

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2020

Notes to the Accounts

21 Pensions Costs

LUU has three separate pension arrangements. A defined benefit arrangement through the University of Leeds Pension and Assurance Scheme (PAS), which is closed to new entrants. The People's Pension Scheme which is a defined contribution scheme managed by B&CE and provides flexibility for staff to make contributions with LUU matching them to a maximum of 6% of salary. The arrangement also provides a three times salary death in service benefit through a registered group life policy through UNUM. A third scheme, Nest, also a defined contribution scheme, has been used to auto enroll those staff eligible under the new legislation starting in November 2013.

For the defined contribution schemes the cost charge for the year represents contributions payable by the company to the schemes and amounted to £92,274 (2019: £106,815). Contributions amounting to £10,351 (2019: £20,719) were payable to the schemes and are included in creditors.

Members of staff who were already contributing into the PAS scheme were able to continue to do so. The assets of the scheme are held in separate trustee administered funds. PAS is a defined benefit scheme externally funded and valued by an actuary every three years. The rates of contribution payable are decided by the pension trustees based on the advice of the actuaries.

The valuation due in 2020 has not yet been completed. The results of the previous valuation as at 31 March 2017 showed that there was a surplus of £31.0m, equivalent to a funding level of 107%. During the year the employer contribution rate was 16%, with the employee contribution rate at 7.5%. The University continues to pay the annual PPF levy and the cost of any ill health early retirement benefit enhancements.

The assets of the PAS scheme are not separable and therefore the proportion of any surplus or deficit arising in the scheme cannot be attributed to members employed by the Union (either past or present). The Union accounts for the scheme as if it were a defined contribution scheme.

Employer contributions to these schemes are charged to the Income and Expenditure Account in the year in which they are paid and are included within the disclosure of individual activities in these accounts.