

Leeds University Union

A company limited by guarantee

Trustees' report and financial statements

31 July 2015

Company registered number 7284768

Charity registration number 1136742

Leeds University Union
Annual Report and Accounts for the year ended 31st July 2015

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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, University Square, 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

Union Affairs Officer (Chair)
Activities Officer
Community Officer
Education Officer
Equality and Diversity Officer
Welfare Officer

To 30.06.15

Bradley Escorcio
Fiona Metcalfe
George Bradley
Tom Dixon
Gemma Turner
Freya Govus

From 01.07.15

Toke Dahler
Piers Cottee-Jones
Jonathan Foster
Melissa Owusu
Gemma Turner
Freya Govus

Student Trustees

Ruth Bush (until 30.05.15)
Sophie Halliday (from 01.07.15)
Rachel Huxley (from 15.07.15)
Tina Kelly (until 30.05.15)
Jonathan McGuigan
Carolin Laubre

External Trustees

Colin Ions (Vice Chair)
Andrew Digwood
Chris Martin
Nicola Thompson

Auditor

KPMG LLP
1 The Embankment
Neville Street
Leeds, LS1 4DW

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 organization. The Chief Executive is head of a Senior Leadership Team made up of Rebekah Smith (Development Director), Graeme Wood (Commercial Director), Keith Ross (Finance Director) and Antonia Frezza (Director of People and Culture).

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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 2015 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 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. We operate an informal 'buddy' system for new trustees which pairs them up with a more experienced trustee so that they have a peer to discuss Board papers or any other issues with.

Every two years 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.

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

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The Audit & Risk Committee monitors LUU's finances, risk profile, compliance with relevant legislation and other matters which could impact on LUU's future health. The Committee reviews and commissions audit work and scrutinizes the annual accounts, financial performance and annual budget.

The Human Resources & Remuneration 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 and 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 Marketing and Development Committee examines our approach to marketing and communications, external partnerships and opportunities around fundraising for LUU activities.

During the last year, LUU conducted a governance review, evaluating decision-making systems and processes against the CUC/NUS Code of Governance. This evaluation was conducted under the oversight of the Appointments and Governance Committee and made use of external input to verify elements of self-assessment.

LUU operates on democratic principles, with Policy being acted upon by the six Student Executive Officers. 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 four permanent senior executive officers that 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.

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

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party as defined by the Statement of Recommended Practice (SORP) 2005 and Financial Reporting Standard 8.

Risk Management, Principal Risks and Uncertainties

The Board of Trustees reviews the major strategic risks faced by LUU on an annual basis as a minimum. Each department updates an operational risk register which is reviewed by the Audit and Risk Committee on a quarterly basis. Systems and processes are designed and put in place to mitigate the risks faced by LUU. Financial and control risks are mitigated through a robust budget management process and supporting policies and procedures for the authorisation and processing of transactions. Procedures are also in place to ensure the health and safety of staff, volunteers and participants on all activities organised by LUU. These procedures are periodically reviewed to ensure that they meet the needs of LUU. The Trustees believe that all major risks are being mitigated.

During this year, we focused on continuing to improve key controls in relation to our cash, debtors and purchases as well as improving controls around data protection.

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.

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. Enquires to our Advice team increased to 2,288 which is almost double the number received in the previous year. In 2014-15 we delivered on an alcohol harm reduction campaign, funded by the local NHS, including the development of online resources and a training programme for our club and society social secretaries.

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- Activities – a choice of 304 clubs and societies offer a diversity of opportunities for social and skills development. 24,433 students registered to join an LUU club or society during the year, an increase of 2,569 from 2013-14. 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 £492K in wages to students through our Joblink agency.
- Community Engagement – our team continue to manage and develop a range of community-based initiatives including: Knowledge safety project, Bardon Grange growing project, Environmental Champions and Leave Leeds Tidy recycling. Our Charity Shop had a successful year and generated revenue of just over £7K which enabled us to reinvest and develop the project further. Partners in this work include other HE and FE institutions in Leeds, Unipol Student Homes, Leeds City Council, West Yorkshire Police and Spencer Properties.
- 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 developed partnership working with the University. The number of students voting in the Leadership Race this year was 8,488, a decline from 34% in the previous year to 30% of the total student population. The General Election in May 2015 led to LUU supporting a campaign for students to register to vote, and 74% of students in University Residences were registered by the end of the campaign.
- Bars and Venues – a choice of three bars/cafes are open during the day and evening: The Terrace, The Old Bar and The Hidden Café, all with catering and non-alcoholic beverages. Our three night time licensed venues, Stylus, Pulse and Mine, provide popular late night entertainment with regular live music.
- 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 5,000 students.
- Shops – operated by LUU are Essentials (Supermarket), Gear (University branded clothing), CATS (gifts and cards) and The Salad Box (hot & cold healthy take away food). Operated through a tenancy arrangement are Vision (Opticians), East is East (hot take away food), Ozone (hairdressers), B Beautiful (beauty salon), Proper Pasty Company (hot take away food), Unipol (student accommodation bureau) and Santander (bank).

Strategic Report

Achievements and Performance

This was the first year of delivering our new strategic plan for 2014-18 after a year of consulting widely with students and staff groups on priority objectives for the next four years. In terms of key

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impact measurement, Leeds University Union increased its overall student satisfaction score from the National Student Survey (NSS) to 92%, maintaining its position of 2nd highest score in the UK.

All LUU teams started delivering Missions and Projects within the four main Programmes of our strategic Plan. This work has been complemented by staffing changes to reflect the resources required for the new Plan.

The strategic Programmes and Missions and Key successes during the year were as follows:

Strategic Programme & Missions	Successes
<p>Inspire Students to Succeed</p> <ol style="list-style-type: none"> 1. Prepare Students for their future 2. Create well equipped student staff and volunteers 3. Strengthen and build on our high performing culture 4. Enable our workforce to excel 	<ul style="list-style-type: none"> • Delivered a Skills Conference for 450 new club and society committee members • Undertaken a Governance Review and Board Effectiveness Review • A new leadership development programme, Love to Lead, was launched • Social Enterprise Zone launched • 65% of volunteers say LUU has helped them with future goals • 85% of students report that working at LUU makes them more employable
<p>Enrich Students' Experiences and activities</p> <ol style="list-style-type: none"> 1. Energise students through our activities 2. Strengthen our commitment to value 3. Heighten membership recognition 4. Boost unique student led activity 	<ul style="list-style-type: none"> • Review of Student Activities delivery model • Exec led 'LUU on Tour' initiative increasing engagement with students around campus • Successful bids to host national student events including RAG and Student Media • New model of Student Advisory Boards set up • 87% of students agree that LUU has put on an event that has appealed to them
<p>Empower Students to make change</p> <ol style="list-style-type: none"> 1. Prioritise students happiness and wellbeing 2. Establish strong connections with students 3. Motivate students to create positive change 4. Enable students to improve their academic experience 	<ul style="list-style-type: none"> • Launch of a Zero Tolerance project, with 30 bars and venues in Leeds city involved • Trailed new ways of students accessing advice • A review of digital communications taken place with initial recommendations provided • High profile referendums on "Free Education" and "Votes at 16" • Hosted a Course Rep Conference for over 100 students to inform the development of a new Course Rep role • Conclusion of research into Postgraduate Experience to establish work priorities
<p>Drive our Students' union into the Future</p> <ol style="list-style-type: none"> 1. Advance our available income 2. Improve our physical space 3. Lead and inspire in environmental management 	<ul style="list-style-type: none"> • NUS Green Impact accreditation achieved plus 'Large Commercial Union of the Year' award winner. • £47k of funds allocated to community-based student projects from the LUU Green Exchange

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Strategic Programme & Missions	Successes
4. Accelerate our IT and digital development	<ul style="list-style-type: none"> • A complete IT audit taken place • Secured £17mil University Capital towards the Union Upgrade project • A new café concept agreed for student designed and managed operation

Financial Review

This year LUU has made a surplus of £47k, compared to a deficit of £42k in the previous year. The trading environment has remained challenging, but advances in non-alcoholic beverage and catering sales, along with tight cost control have enabled the Union to return to a surplus this year. The Leeds Ball was again a highlight this year with an attendance of more than 5,000 students.

We have consolidated our robust approach to risk and financial management with further improvements around the control of cash across the union. Our internal auditors have completed three new reviews during the year as well as performing follow up on the audits from last year. Our internal Audit Working Group continues to oversee the implementation of the key recommendations from the audit reports. Our costs have remained within budget this year, aided by a new Best Value initiative reviewing the purchase of all significant goods and services.

LUU continues to benefit from the recognition and support of the University of Leeds. The University provided us with a grant of £2.500m this year, which consolidated previous "Blueprint" funding and amounted to an overall increase of £196k compared to 2013-14.

Our Balance Sheet remains strong with total net assets at £4.3m and a cash balance of £2.0m. The cash balance comprises £1.3m of LUU cash and £0.7m of cash held on behalf of student clubs and societies. Our unrestricted funds stood at £4.3m with a further £21k of restricted funds. Our general reserve is £987k and we still hold a designated reserve of £125k. This designated reserve is in place to support the fundraising strategy to improve performance spaces in our building. The free reserves of the charity are defined as the net current assets of the charity less those funds designated for future projects. Our target for free reserves is 6 months' worth of income that we generate from our own activities i.e. excluding our block grant funding from the University, which is £366k based on the results for the year. Our free reserves at 31st July 2015 stood at £1,132k (£873k in 2014) which is £766k above the target. The Trustees aim to reduce the free reserves in the future by investing in capital expenditure improvements to the building over the next few years. We are confident that we can continue to invest in improved facilities for students in the LUU building and achieve our required free reserves level in the future. We invested our cash balances in low risk interest bearing deposit accounts during the year, maintaining our conservative stance on investment.

Future Plans

Our strategic vision continues to be that "Together, we will make sure that you love your time at Leeds". 2015/16 will be the second year of our new four year strategic plan and delivery of the plan will continue under the four Programme areas in the new strategy, each led by a member

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of the Senior Leadership Team. The year will also be shaped by the new Student Executive priorities and aligning the support they need to our ongoing strategic programmes.

The key priorities over the next financial year include the following:

- A focus on maintaining high level of service delivery for students during building disruption, engaging staff in the Union Upgrade and delivering the project on time.
- Ensuring that University partnerships continue to develop with a focus on International Engagement, Partnership refresh and Enterprise
- Refocus of resources on LUU's Leadership Race to ensure representative voter turnout and future legitimacy of Student Executive Officers.
- Bringing together opportunities for both our staff and volunteers to learn and develop
- Strengthening our leadership
- Student engagement with the building project
- Accelerating our digital development: finding ways to deliver our services that remain relevant to students
- Increasing a sense of value for students across all our services

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. £2.4m was handled by LUU during the year with a balance of £727k remaining at the end of the year. LUU is also custodian of the annual RAG proceeds from fundraising events that are distributed to the intended charities. The RAG proceeds came to £225k in the year and £101k 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 KPMG 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.

Toke Dahler
Chair

Colin Ions
Vice Chair

01 December 2015

Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report, Strategic 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. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue its activities.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Leeds University Union

We have audited the financial statements of Leeds University Union for the year ended 31 July 2015 set out on pages 13 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 10, 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.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

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 2015 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 UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information in the Trustees' Annual Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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Matters on which we are required to report by exception

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:

- the charitable company has not kept adequate accounting records 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.

Marcus Tyldsley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants, Leeds

01 December 2015

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31st JULY 2015
(Including Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted Funds	2015	2014
		£	£	£	£
Incoming Resources					
Incoming Resources from Generated Funds					
Voluntary Income					
University Grant		2,500,000	-	2,500,000	2,046,990
Activities for Generating Funds					
Rental Income		129,685	-	129,685	132,968
Premises hire and conferences		30,317	-	30,317	47,114
Sponsorship and Marketing income		232,667	-	232,667	216,742
Investment Income - Interest receivable		543	-	543	2,030
Incoming Resources from Charitable Activities for Students					
Bars		2,358,553	-	2,358,553	2,394,203
Venues		1,314,989	-	1,314,989	1,393,264
Shops		2,627,663	-	2,627,663	2,862,930
Student Services		609,325	-	609,325	639,326
Student Advice funding		114,776	-	114,776	247,148
Student representation & affiliations		-	-	-	84,688
Student Activities/Volunteering funding		319,949	-	319,949	259,362
Other incoming resources		66,155	-	66,155	64,080
Total incoming resources		10,304,622	-	10,304,622	10,390,845
Resources Expended					
Charitable Activities for Students					
Bars		2,562,236	-	2,562,236	2,492,403
Venues		1,661,649	-	1,661,649	1,785,388
Shops		2,849,314	-	2,849,314	3,038,777
Student Services		1,085,865	-	1,085,865	1,148,576
Student Advice		332,618	3,094	335,712	400,409
Student representation & affiliations		663,326	-	663,326	586,157
Student Activities/Volunteering		950,052	-	950,052	838,769
Premises hire and conferences		119,610	-	119,610	117,047
Governance Costs		30,197	-	30,197	25,219
Total resources expended	2-8	10,254,867	3,094	10,257,961	10,432,745
Net incoming resources for the year		49,755	(3,094)	46,661	(41,900)
Funds balance brought forward at start of year		4,270,767	23,789	4,294,556	4,336,456
Total funds carried forward		4,320,522	20,695	4,341,217	4,294,556

The notes on pages 16 to 24 form part of these financial statements.

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

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BALANCE SHEET AS AT 31st JULY 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	9	3,928,750	4,161,828
Fixed assets total		3,928,750	4,161,828
Current assets			
Stock in hand		269,886	338,052
Debtors and prepayments	10	411,976	592,217
Cash at bank and in hand	11	2,031,385	2,296,595
NUSSL deposit	12	6,090	6,090
Current assets total		2,719,337	3,232,954
Creditors: amounts falling due within one year	13	(1,545,491)	(2,360,226)
Net current assets		1,173,846	872,728
Total assets less current liabilities		5,102,596	5,034,556
Creditors: amounts falling due after one year	14	(41,379)	-
Deferred Income - Capital Grant	15	(720,000)	(740,000)
Total net assets		4,341,217	4,294,556
Represented Charitable Funds			
Unrestricted Funds:			
- Tangible Fixed Assets Reserve	17	3,208,750	3,421,828
- General Reserve	17	986,772	723,939
- Designated Reserve	17	125,000	125,000
Restricted Funds	17	20,695	23,789
Total reserves		4,341,217	4,294,556

The notes on pages 16 to 24 form part of these financial statements.

Approved on behalf of Leeds University Union on the 01 December 2015 by:

Toke Dahler _____

Chair

Colin Ions _____

Vice Chair

Company registration: 7284768

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31st JULY 2015

	2015 £	2014 £
Net cash inflow from operating activities	85,338	1,236,963
Capital Expenditure	(264,844)	(265,581)
Net cash (outflow)/inflow before financing	(179,506)	971,382
Financing - repayment of bank loans	(82,758)	(82,759)
Sale of investments	-	5,460
Servicing of Finance - interest paid on loans	(2,946)	(3,975)
(Decrease)/Increase in cash	(265,210)	890,108

Reconciliation of operating surplus to net cash inflow from operating activities		
Net incoming resources for the year	46,661	(41,900)
Add back: Depreciation	497,922	502,728
Add back: Interest paid on loans	2,946	3,975
Less: Release of capital grant	(20,000)	(20,000)
Decrease in stocks	68,166	18,080
Decrease in debtors	180,241	28,103
(Decrease)/Increase in creditors (excluding bank loan)	(690,598)	745,977
Net cash inflow from operating activities	85,338	1,236,963

Reconciliation of net cash flow to movement in net funds		
(Decrease)/Increase in cash in the year	(265,210)	890,108
Repayment of bank loans	82,758	82,759
Net funds as at 1 August	2,089,699	1,116,832
Net funds as at 31 July	1,907,247	2,089,699

Net funds is defined as cash at bank and in hand less bank loans and overdrafts (short and long term) as follows:

	2015 £	2014 £
Cash at bank and in hand	2,031,385	2,296,595
Bank loan in creditors falling due within one year	(82,759)	(206,896)
Bank loan in creditors falling due after one year	(41,379)	-
Net funds as at 31 July	1,907,247	2,089,699

The notes on pages 16 to 24 form part of these financial statements.

Notes to the Accounts

1 Accounting Policies

The Union's Articles of governance require the trustees to prepare accounts for each financial year. The trustees have prepared the accounts in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice). 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 registered as a charity under the Charities Act 2011 (registered charity number 1136742). Accordingly these financial statements have been prepared in accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP) issued in March 2005 and applicable accounting standards, under the historic cost convention and on a going concern basis.

(b) Incoming Resources

All income and capital resources are recognised in the accounts when the Charity is legally entitled to the income and the amount can be quantified with reasonable certainty. 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. Investment income comprises interest received on cash balances.

(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.

Notes to the Accounts

1 Accounting Policies continued

(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	50 years
Leasehold Improvements and major equipment	10 years
Fixtures, Fittings and other equipment	5 years
Computers	4 years

The building is leased from the University over 50 years at a peppercorn rent of £1 per annum.

(f) Investments

Investments are stated at their historic cost less any adjustment necessary for a permanent diminution in value.

(g) Leases

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

(h) 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, as required by FRS17, "retirement benefits", accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the income statement represents the contributions payable to the schemes in respect of the accounting year.

(i) Stock

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

(j) 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.

Notes to the Accounts

1 Accounting Policies continued

(k) Tax

Leeds University Union 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.

2 Surplus for the financial year

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

	2015	2014
	£	£
Auditor's remuneration - audit of these financial statements	13,500	13,500
Depreciation on owned assets	497,922	502,728
Operating lease rentals	11,245	10,770
	13,500	502,728

3 Charitable and Other Activity Costs

	Purchases	Staff	Support Costs	Total
	£	£	£	£
Bars	1,046,013	753,657	762,566	2,562,236
Venues	718,897	519,722	423,030	1,661,649
Shops	1,677,226	428,396	743,692	2,849,314
Student Services	127,564	722,177	236,124	1,085,865
Student Advice	17,988	212,696	105,028	335,712
Student representation	75,564	300,834	286,928	663,326
Student Activities/Volunteering	370,722	351,458	227,872	950,052
Premises hire and conferences	6,513	10,256	102,841	119,610
Governance costs	30,197	-	-	30,197
Total Costs	4,070,684	3,299,196	2,888,081	10,257,961

Included in governance costs is the annual audit fee of £13,500 (£13,500 in 2014)

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Notes to the Accounts

4 Support Costs Included in Note 3

	Use	Staff £	Premises £	Marketing £	Other £	Total £
Bars	25%	386,584	287,382	8,853	79,747	762,566
Venues	14%	238,408	122,942	8,766	52,914	423,030
Shops	24%	410,987	230,013	9,555	93,137	743,692
Student Services	9%	131,884	64,229	3,594	36,417	236,124
Student Advice	4%	75,724	7,697	6,312	15,295	105,028
Student representation	11%	217,109	11,137	22,266	36,416	286,928
Student Activities/Volunteering	9%	157,927	21,943	6,399	41,603	227,872
Premises hire and conferences	4%	59,765	27,520	2,428	13,128	102,841
Total Costs	100%	1,678,388	772,863	68,173	368,657	2,888,081

5 Unrestricted funds

	At beginning of year £	Incoming resources £	Outgoing resources £	At end of year £
Designated funds				
Refurbishment funding	125,000	-	-	125,000
General funds				
Tangible fixed assets and investments	4,161,828	264,844	(497,922)	3,928,750
Net current assets	723,939	10,019,778	(9,756,945)	986,772
Deferred income – capital grant	(740,000)	20,000	-	(720,000)
	4,270,767	10,304,622	(10,254,867)	4,320,522

6 Restricted funds

	At beginning of year £	Incoming resources £	Outgoing resources £	At end of year £
Net current assets	23,789	-	(3,094)	20,695

Leeds University Union
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Notes to the Accounts

7 Staff Costs

	2015	2014
	£	£
Wages and salaries	4,449,279	4,411,345
National Insurance	241,033	238,490
Pensions	282,754	317,578
Total Costs	4,973,066	4,967,413

	2015	2014
The average staffing was as follows:		
Monthly salaried staff	146	145
Weekly paid student staff	267	231
	413	376

During our busiest week of the year, we employed 431 students on a weekly paid contract.

Two 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
£80,001 to £90,000	1

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 £16,646 during the year with a total cost to LUU of £109,399 (£109,302 in 2014) which includes national insurance contributions. The level of salary is set out in their contract of employment.

Eight Trustees of the Board were reimbursed a total of £1,297 (£1,456 in 2014) for personal travel and subsistence expenses in performing their role as a Trustee.

Leeds University Union
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Notes to the Accounts

9 Fixed assets

	Leasehold buildings £	Leasehold improvements £	Fixtures & fittings £	Equipment £	Total £
Cost					
Brought forward 1 Aug 14	3,803,813	2,728,904	2,760,479	1,384,474	10,677,670
Additions in the year	13,543	86,907	54,801	109,593	264,844
As at 31 July 2015	3,817,356	2,815,811	2,815,280	1,494,067	10,942,514
Depreciation					
Brought forward 1 Aug 14	945,980	1,936,486	2,476,493	1,156,883	6,515,842
Charge for the year	76,110	171,016	129,922	120,874	497,922
As at 31 July 2015	1,022,090	2,107,502	2,606,415	1,277,757	7,013,764
Net book value At 31 July 2015	2,795,266	708,309	208,865	216,310	3,928,750
At 31 July 2014	2,857,833	792,418	283,986	227,591	4,161,828

10 Debtors and prepayments

	2015 £	2014 £
Trade debtors	78,340	187,370
Sundry debtors and prepayments	129,862	164,048
The University of Leeds	203,774	240,799
	411,976	592,217

11 Cash at bank and in hand

	2015 £	2014 £
LUU cash	1,256,508	1,472,863
Cash held on behalf of student clubs and societies	727,020	585,659
Cash from ticket sales held on behalf of event promoters	47,857	238,073
	2,031,385	2,296,595

12 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 0.5% of trading turnover.

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Notes to the Accounts

13 Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	176,536	215,785
Sundry creditors, accruals and deferred income	1,219,325	1,248,024
The University of Leeds normal trade	66,871	64,521
The University of Leeds prepayment of 2014-15 grant	-	625,000
Bank loan	82,759	206,896
	1,545,491	2,360,226

14 Creditors: amounts falling due after one year	2015	2014
	£	£
Bank loan	41,379	-
	41,379	-

The bank loan is held with the Royal Bank of Scotland and is repayable in **quarterly** installments over a period of 15 years from September 2002. Interest on the loan was charged at a fixed rate of 5.95% per annum for the first ten years and is now at a floating rate for the remainder to the term. In 2013-14 the total loan outstanding was shown in creditors falling due within one year due to the breach of a condition of the loan.

15 Deferred Income - Capital Grant	2015	2014
	£	£
Deferred capital grant at 1 August 2014	740,000	760,000
Released in the year	(20,000)	(20,000)
Deferred capital grant at 31 July 2015	720,000	740,000

The deferred capital grant is in respect of a £1m grant from The University of Leeds in 2001 to assist in the funding of the Union extension project. This grant is being released to the Income and Expenditure Account in equal annual amounts of £20,000 per annum over the period of the lease applicable to the Union building.

16 Capital commitments	2015	2014
	£	£
The Union had the following commitments for capital works at 31 July:		
Authorised and contracted	85,990	93,902

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Notes to the Accounts

17 Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total £
Tangible Fixed Assets and Investments	3,928,750	-	3,928,750
Net Current Assets	1,153,151	20,695	1,173,846
Creditors: amounts falling due after one year	(41,379)	-	(41,379)
Deferred Income - Capital Grant	(720,000)	-	(720,000)
	4,320,522	20,695	4,341,217

Unrestricted funds are made up of the Tangible Fixed Assets Reserve of £3,208,750 a Designated Reserve of £125,000 and the balance remaining is the General Reserve of £986,772.

The Tangible Fixed Assets Reserve represents the balance of our tangible assets less the deferred capital grant. The Designated Reserve remains at the discretion of the Trustees but is set aside to support our fund raising strategy to be able to meet match funding from potential partners for projects in the future. The residual unrestricted funds represent the General Reserve of the charity.

18 Leasing Commitments

At 31st July 2015, LUU had commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Plant and Machinery		
Operating leases expiring within:		
1 Year	6,395	960
2 to 5 Years	12,277	-
	18,672	960

Notes to the Accounts

19 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 National Union of Students Pension Scheme which is a defined contribution scheme managed by AEGON 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 £39,180 (2014: £22,133). Contributions amounting to £11,506 (2014: £21,878) 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 using the projected unit method. The rates of contribution payable are decided by the pension trustees based on the advice of the actuaries.

The results of the triennial valuation as at 31 March 2014 showed that there was a surplus of £35.1m, equivalent to a funding level of 111%. The employer contribution rate remains at 18.15%, with the employee contribution rate at 7.1%. 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 either scheme cannot be attributed to members employed by the Union (either past or present). The Union is therefore exempted from any requirement to show such details under FRS 17, Retirement Benefits. 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.