

CHARITY NUMBER: 1143103  
COMPANY REGISTRATION NUMBER: 7710669

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

**(Limited by guarantee)**

## **Annual Report and Accounts 2015-16**

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**London School of Economics Students' Union**  
**Annual Report and Accounts 2015-16**  
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**London School of Economics Students' Union**  
**Trustees Report**  
**For the year ended 31 July 2016**

The Trustees present their annual report for the year ended 31 July 2016 under the Companies Act 2006 and Charities Act 2011, together with the audited financial statements for the year.

**Reference and administrative information**

London School of Economics Students' Union (LSESU) is an unincorporated charity (limited by guarantee). The charity registration number is 1143103. The company registration number is 7710669.

It was originally established under the Education Act 1994 when students' unions connected with exempt higher/further education institutions were removed by section 11(9), Charities Act 2006, from the list of exempt charities in Schedule 2 to the Charities Act 1993.

**Principal Address**

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

**Charity Trustees (who are also Company Directors for the purposes of the Companies Act)**

**From July 2016 (unless stated)**

***Paid Sabbatical Officers:***

Busayo Twins\*  
Riham Mansour\*  
Jasmina Bide\*  
Julia Ryland\*  
Sarah Castellanos (from November 2016)\*

***External Trustee:***

Stella Michael

***Student Trustees:***

Dagmar Rita Myslinska  
Alexander Lye Yi Zhi  
Alexis Schottenstein (from November 2016)  
Farvah Jarvaid (from November 2016)  
Zulum Elumogo (from November 2016)  
Rohan Sankhla (from November 2016)

**From July 2015 (unless stated)**

***Paid Sabbatical Officers:***

Nona Buckley- Irvine\*  
Katie Budd\*  
Aysha Al-Fekaiki\*  
Jon Foster\*  
Mahmoud El Ghannam (from Nov 2015)\*  
Scott Gammon (to September 2015)\*

***External Trustee:***

Stella Michael

***Student Trustees:***

Rahat Siddique  
Varot Senapitak  
Ingvild Lockert  
Nadia Raslan (from March 2015)  
Kaleem Khan (from October 2015)  
Samiha Begum (from November 2015)  
Indo Vickerson (to September 2015)

**Auditors**

Crowe Clark Whitehill LLP  
Registered Auditors  
Aquis House  
49-51 Blagrove Street  
Reading  
Berks  
RG1 1PL

**Bankers**

Natwest  
Connaught House  
65 Aldwych  
London WC2B 4DS

**Solicitors**

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

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## **Key Management Personnel**

Key management personnel include the senior management team and paid sabbatical officers.

LSESU employs a Chief Executive to work closely with the Executive Officers and ensure effective management of the charity. Yemi Gbajobi was appointed in August 2016 to fulfil this post, replacing Pari Dhillon (who left on 29<sup>th</sup> June 2016). During 2015/16 the other members of the senior management team were Jarlath O'Hara (Deputy Chief Executive) and Dave Lewis (Director of Membership).

## **Structure, governance and management**

LSESU is constituted under the Education Act 1994 as a charitable company limited by guarantee (see page 1) with internal regulations or Rules approved by the governing body of the London School of Economics (the School). LSESU's charitable Objects under the Act, to advance the School's educational purposes by providing representation and support for LSE students, are supplemented by the further Object of helping members to develop their own charitable activities as active participants in civil society.

LSESU was administered by its Trustee Board of 12 members comprising of five sabbatical trustees, six student trustees and an external trustee.

The sabbatical officers and student trustees are elected annually by a cross-campus secret ballot of the LSESU membership. The external Trustee is appointed through majority vote of Trustees following a recruitment process.

The four posts of General Secretary, Activities and Development Officer, Community Welfare Officer, and Education Officer, are full time posts and the Post Graduate Officer is part time, remunerated as authorised by the Education Act and cannot exceed two years duration for each holder. The external Trustee post cannot exceed six years.

Student representatives commence their terms of office subject to completion of an appropriate course of training. This includes, for Sabbatical Officers, a handover with the outgoing Sabbatical Officer and training on the roles and responsibilities of Trustees (legal and administrative), with an ongoing training programme as and when needed for issues arising during their term of office.

LSESU operates on democratic principles, working for and with our members, the students of the London School of Economics and Political Science (LSE). The voice of students is represented by the Union Executive, run and elected by members of LSE. The Union also holds weekly Union General Meetings through which students are able to propose and vote on motions. The Union also supports a range of assemblies to ensure that the diversity of the student body is heard.

The Trustee Board, assisted by sub-committees, where appropriate has delegated the day-to-day running of the Union to the Director, named above. As charity Trustees, all Trustees receive a comprehensive training programme into their legal and administrative responsibilities at the start of their term of office, with ongoing guidance as and when required for issues arising during their term.

The Trustee Board meets five times per year to receive reports from sub-committees, Officers, Senior Management and the Chief Executive, to review the Union's performance and administration generally and to agree policy issues arising. The Union also employs a number of non-student core staff to provide continuity, consistency and knowledge in the management of its many activities. The staff team is accountable to the Chief Executive for the performance of their duties.

The Union has a Memorandum and Articles of Association which sets out its governance structure.

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

### **Relationship with London School of Economics**

The Union receives a block grant from the School, and occupies spaces in School owned buildings. The occupation and use of these spaces is set out in the Memorandum of Understanding between LSESU and the School.

In addition to the provision of space, the School also pays for utilities, caretaking and cleaning staff. This support is intrinsic to the relationship between the School and LSESU. Although LSESU continues to generate supplementary funding from various mutual trading activities, it will always be dependent on the School's support.

The Trustees consider it reasonable to anticipate that this or equivalent support from the School will continue for the foreseeable future, as the Education Act 1994 imposes a duty on the School to ensure the financial viability of its student representative body in one form or another. The Trustees therefore consider the Union to be financially viable for the foreseeable future.

### **Principal Risks and Uncertainties**

The Trustee Board has examined the major strategic, business and operational risks faced by LSESU. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

The principal risks and uncertainties currently facing the Union are considered to be

- the possible reduction in funding by the University caused by
  - Their own financial health
  - Their perception of the value of the role of the Union
- The financial health of the University is itself dependent on HEFCE funding, which in turn is susceptible to factors beyond the control of the Union, including
  - Popularity of the Academic offering
  - Popularity as a result of Academic standards
  - Popularity as a result of the attractiveness of the campus and its facilities
  - Popularity driven by affordability and fee levels
  - Other Demographics
- local competition from rival bars and entertainment spaces in the vicinity,
- reputational damage in the unlikely event of a high profile activity by a student
- reputational damage in the unlikely event of a high profile activity by a trustee

Our plans and strategies for managing risk include maintaining effective internal controls, risk registers, incident reporting and monitoring systems and insurance cover wherever appropriate.

Budgetary and internal control risks are minimised by the implementation of procedures for the authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers and participants on all activities organised by the Union. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

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**Aims, Objectives and Activities**

The objects of the Union are the advancement of education of Students at LSE for the public benefit by:

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

In furtherance of these aims the trustees have complied with their duty in s.17(5) of the Charities Act 2011 to have due regard to the Charity Commission's published general guidance concerning the operation of the public benefit requirement under that Act.

In pursuit of these aims for the public benefit, LSESU will ensure the diversity of its membership is recognised, valued and supported and as such has established student support and development departments and quality services for use by its members, to support its work with the School and other organisations on behalf of students. These include Advice and Welfare; Support for student representatives: Communications and Operations; Engagement; Orientation; Student Activities (including clubs and societies); fundraising and partnership development, bar, catering, gym and retail services.

LSESU continues to represent the students on relevant local, national and international issues. On a local level, SU Officers continue to attend many School committees and working groups to enhance the student experience at LSE and ensure that the student voice is heard and responded to at all levels of the School. To further enhance the student experience, LSESU attracts a diverse membership to get involved in the Union, the university and the local community by actively promoting the benefits of volunteering in student-led activities.

When reviewing our objectives and planning our activities, LSESU gives due consideration to the Charity Commission's general and relevant supplementary guidance on public benefit.

**Achievements and Performance**

Once again, we have had a year that we can be extremely proud of. We have shown that we have a healthy and vibrant democracy, continued funding from Sport England, high impact change campaigns, greater support for course representatives and all of the other incredible things we do to make the lives of students at LSE better. We continue to develop the organisation in our new building, opened in January 2014, which affords us the ability to deliver activities in spaces that truly reflect the sort of organisation we want to be is fantastic, but this only possible because we learn from the mistakes of the past, we've got the right plan and staff team in place, and we're genuinely student-led.

It is almost seven years since we went through significant upheaval due to poor financial, operational and strategic management, yet we have an organisation today which was unimaginable to those seeking change in 2009. We have some of the most talented individuals in society studying at LSE, and it is due to our ability to facilitate them that we're now sector leading in so many ways. This report celebrates extraordinary achievements, for an extraordinary union and allows us to reflect on our past while looking forward to our future.

***Our New Building***

We left the decrepit and deficient East Building in December 2013, moving into the Saw Swee Hock Centre in January 2014. This was our second full academic, and financial, year in our building.

The building has won a number of awards, was shortlisted for the RIBA Stirling Prize and has completely remodelled campus, but more importantly than that, it has allowed the Union to be a different organisation and have a different relationship with our members.

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The spaces are better than we've ever had, more opportunities for students to run events and activities in locations that are prioritised for them, cafes that students actually want to sit in and do work, a media centre which brings all of the media groups together, a welcoming space that brings campaigners, sports clubs, elected officers and societies together.

However, given the turnover of students studying at LSE (c.60% are new every year) there are very few members who remember our old spaces we must now move forward with a new 'business as usual'. The annual survey has demonstrated areas of improvement – with students telling us that we needed to “*make the space less cold and sterile*” and “*have more study spaces*”, so now that we are fully embedded in the building a review of how we use the space is due.

The provision of study spaces dominates any discussion with our members about what they want to see improved on campus, and over the next year we must demonstrate how we are practically changing the School to reflect this.

***Enabling students to Influence the School to improve their education***

We continue to challenge the status quo of the School's representative structures, which leads to significant disconnects between students across the School and to the Union. We appreciate the efforts of some departments to work together with us on the representative scheme – providing contact details and facilitating improvements to how students can shape their education, but this approach is not consistent across the School. Students in different parts of the School have significantly different opportunities to influence decision making.

We continued the excellent work of the Teaching Excellence Awards. We received 1373 (1,362 in 2015) nominations for 583 (555 in 2015) individual members of staff from 26 School departments. The Awards culminated in a grand award ceremony coordinated in collaboration with the School. There were nine awards available including a newly introduced 'Department of the Year Award'. The most popular award was the 'Award for inspirational teaching' which received over 600 individual nominations. All nominees received anonymous comments from their nominator, and the School were delighted with the level of student involvement.

Alongside this, we held two highly successful Course Rep congresses, which looked at a number of policy themes and decisions within the School particularly around the Educational Covenant the School launched in 2015-16. Course Reps worked with the Education Officer and other students to run a mass consultation on the School's Education Strategy which caused a shift in the School's thinking and has contributed heavily to the strategy moving into 2016-17. We hosted staff from the School in these sessions to ensure the link between students and senior staff was closed. Over the past year we have taken deliberate steps to increase our knowledge and influence within the School by targeting our lobbying activity towards Departments and equipping local reps with relevant and powerful information and data.

Our Advice Service continued to offer support to students, from housing contract checks to complaints against the School. We advised students from 22 of the 26 Departments, and a total number of 479 students in a range of subjects such as Housing, Hardship Funds etc. in 2015-16 we awarded over £20,000 in hardship funds, helping students struggling with housing, living and childcare costs.

***A Healthy & Strong Democracy***

This year we continued to show that LSESU has a healthy, vibrant democracy which members control. 4,831 students (41.4%) voted in the Michaelmas or Lent elections, an increase on 5% from last year.

4,167 students (35.7%) voted in the Lent election, with over 3,000 voting in the General Secretary elections. The strength of democracy at LSESU is demonstrated in that we had to run the General Secretary elections twice as Re-Open Nominations won the first election contest. This is truly extraordinary, and we're delighted that this is a reflection of how students are passionate about choosing Officers that

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represent them, an easy voting process and effective communications to ensure voters are motivated to vote. Sustaining this will be commitment is challenging, but something we're determined to do.

While our elections continue to be lively and controversial, other elements of our democracy struggle to engage certain demographics of students. This year a referendum on the question "Should LSESU have a second external trustee on the Trustee Board?" failed to get the number of votes needed to be quorate and physical attendance at Union General Meetings continues to be in decline, indicating students prefer to engage with our democracy in other ways.

***Expanding our Ability to Improve the Postgraduate Student Experience***

There are over 5,800 postgraduates on campus, including c.1,000 research students and over 4,800 taught students. Despite being 56% of the student population, postgraduates are underrepresented in the activities of the Union. Although already at record levels – we are aiming for an increase from 40% of postgraduates involved in societies, and 10% of postgraduates in sports clubs.

The directly elected Research Officer, elected in Michaelmas Term 2015, was supported to increase social provision for research students and contributed to research about their experience.

We ran the, successful, postgraduate festival in late June with support from the Annual Fund.

***Developing students' skills through social & political activities***

We continue to have a record number of students participating in our clubs and societies. Over almost 9,000 individual students and associate members joined at least one society with over 30,000 memberships sold. Over 1,600 students joined a sports club. This represents 70% of the undergraduate population and over 40% of the postgraduate population. This is sector leading and something that makes LSE so special.

We are now in the second year of our Employability and Development Training program, building on the skills development framework pilot in 2013/14. In partnership with LSE Careers we delivered 30 sessions and workshops to 491 students. From student feedback the program has increased its overall satisfaction rating from 84% to 88%. Workshops included public speaking, conflict management and project management.

Through the support of our alumni and the Annual Fund, we were able to support over 70 student-led projects worth £300,000. This included the women's network, a series of free events which aim to build a community of women who will be inspired by speakers to pursue traditionally male-dominated field. We funded a Hockey development tour to the Netherlands, helping the women's team develop key skills to win the South East Regional Cup. The fund also helped the successful 'An Islamic State: Histories and Misconceptions' conference.

This is the second year we have run a Sport England funded program called Active LifeStyleE. The program aims to break down barriers to students being active as part of their university experience. We have developed a comprehensive program in partnership with societies, clubs, and halls with over 1,600 students taking part in the program (increased from 1000 last year), a large proportion of those on a regular basis. Due to this, we now have over 3,000 students taking part in our sporting offer.

Due to campus reconstruction, we have been successful in securing our recommendation for much needed sports facilities on campus in the new development at 44 Lincolns' Fields which will include, new squash courts, music rehearsal spaces and fitness room.

***Campaigning for change***

The Union has to have a developed and mature approach to campaigning. Our elected representatives use their roles within committees and the School more generally to lobby for change whilst there are moments we will disagree with the School more publicly through more vocal, vibrant campaigns.



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In 2015/16, we worked on the following campaigns: Welfare (we surveyed over 10% of the School's student population); Halls; we produced sector leading research on tackling the attainment gap and pushed the School to create a workforce around this subject. We also worked on reducing the costs of living in London and the School agreed to freeze rents on certain rooms, as well as agreeing to scrap the master's application fee for all LSE graduates. We also campaigned for the School to not charge continuing students an additional £250 a year following the Government's introduction of the TEF. We also successfully lobbied the School to review the process for students applying for the Graduate Student Scholarship.

We put the views and interests of our members at the heart of our campaign work within the School, unapologetically fighting for simple solutions that make the lives of students better. This year we successfully campaigned for an earlier exam timetable release, but students still want more microwaves and better learning spaces during exam time. Whilst students will rarely see how hard we fight for issues like this within the School, the School did listen to us and made change.

***Commercial services for students***

We run a number of services within the School to provide services to members and an additional income stream, thereby reducing our reliance on the income we receive directly from the School. The figures elsewhere in the accounts demonstrate the products, offers and cost control initiated. This is our second full year in our new building which has enabled us to make year on year comparisons for the first time. All our retail outlets continue to perform better than anticipated and the work to consolidate two previous shops into one new location has seen a marked increase in income. We regularly listen to student feedback about our commercial services and had a number of changes through the year, including cheaper lunch options and better use of the bar for social events through the week.

***Relationship with the School***

We have a productive relationship with the School, which is stronger than many other students' unions but not as good as others. We are increasing the levels of trust in us from the School because of our ability to represent the diversity of students, managing our finances effectively and to deliver excellent services that students want. As our relationship grows and matures, it will be students that gain through a well-resourced, relevant, union, joined up services on campus and more effective ways to influence and change their learning environment.

***Things we cannot plan for***

Our strategic plan provides us with the planning basis of the year ahead, but there will be particular events or activities that we must respond to. That is why within both the staffing and officer team we must adapt and be flexible to the changing context in which we operate. Press attention regarding an event of the Islamic Society put us at the centre of a debate around gender segregation and religion and we continue to deal with the fall out including liaising with the Charity Commission.

***How Students Think We Are Doing***

There are a number of ways in which we seek to understand what our members think about the organisation, identifying opportunities to expand activity considered excellent and stop activity considered irrelevant or poor. One of the main mechanisms used is the annual survey, which takes place in summer term, and had over 400 students complete, however, this is down on the 1,088 that completed the survey last year. This year we have changed the question set, which makes drawing comparisons from last year's figures difficult. However, important conclusions can still be drawn:

The results told us that:

- Student perception of the Union is generally positive and may be improving. Due to a change in the question set, it is not possible to make a comparison to last year's figures, however, 71% of students agree with the statement that 'LSE Students' Union improves life at LSE' which is markedly higher than the satisfaction response to the Union in the National Student Survey (55%)

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- Recognition of our elected officers. 80% of respondents recognised Nona Buckley-Irvine as General Secretary, lower than the than the 87% who recognised Nona the previous year.
- Our commercial services are our most used of all Union services with 50% of respondents having used either the LSESU Shop, the Three Tuns or the Venue
- Students form opinions about the Union very quickly, with 1 in 4 forming their opinion before the end of Welcome Week.

British undergraduates are over represented in this sample (68% up from 53% last year) with postgraduate responses decreasing from last year (42% to 24% this year). However, we still believe there are important conclusions that can be drawn from the results. These include:

1. Although a large minority of students (37%) describe themselves as being involved with the SU, the majority have a positive view of the Union.
2. 71% of students agreed with the statement "*LSE Students' Union improves student life at LSE*".
3. There has been a marked increase in the number of students who have said that they feel proud to be part of LSESU (in 28% to 37%).
4. Students form their opinions about the Union at a fairly early stage with 1 in 4 students forming their opinions about the Union by the end of Welcome Week and 1 in 2 by the end of the Michaelmas Term.
5. LSESU Shop, the Three Tuns and the Venue are by far the most used of all the Union's services showing the reach our commercial services have.
6. Many students are reading our reports, but a majority are not. 43% of students have read an LSESU report this year, as opposed to 57% who have not.
7. Students have had a very positive experience with clubs and societies.
8. Students felt that our communications have largely improved, and that we give them information through the media that they prefer, although were quite critical of the length of our communications, preferring shorter, more focused and better targeted emails.
9. Students largely feel that we should do about the same amount of campaigning, however more students indicated that we should increase the amount of campaigning compared to the number who said we should decrease this. They still feel our campaigns are relevant, but they do not have enough information about them.
10. Students want us to focus on LSE specific campaigns/events/activities, particularly academic issues such as study space, exam structure and feedback.
11. Although recognition of the General Secretary is the same as the previous year, students don't feel more able to influence the agenda of elected officers. Similarly, they also feel they have very little influence over their course, department, or the School in general.
12. The main reasons that students vote are because they want to influence the School and Union and feel that students can make change. This suggests that our communications focus on issues elected officers can influence is the correct way to promote elections.
13. A large number of students seem unaware of the events that we run and say that we need to publicise them better.

This was the fifth year in which the National Student Survey included the results of a question about student perceptions of the Union. The survey is only of undergraduate students, and has a smaller sample size than our annual survey. Students are asked: Thinking of all the services, including support, activities and academic representation provided by the Students' Union (Association or Guild) at your institution, to what extent do you agree with the following statement: 'I am satisfied with the Students' Union (Association or Guild) at my institution'.

This year has seen a decrease in the perception of the Union has seen a decrease this year from 58% last year to 55%. This compares with a national average across all institutions that 68% of students agree with the statement. The results for the Union further demonstrate disconnect between levels of involvement and levels of satisfaction.

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## **Future Plans**

The five year strategic plan 2011-2016 has reached the end of its relevance and usefulness, and work is underway to construct a new plan. The previous plan helped us bring the organisation together, provided strategic focus and made us good. The next plan will make everything we do excellent.

The School is changing, and so are our members. Our challenge is to always adapt, to never rest, to fight for a School that delivers the very best experience for students.

## **Financial Review**

LSESU's total income was £6,637,542 (2015: £6,245,217) during the year. This included a block grant from the University of £963,171 (2015: £864,821), other grants including a space grant from the University totalling £1,748,721 (2015: £1,754,492), income from commercial venues and restricted income from clubs and societies.

Total expenditure of £6,578,755 (2015: £6,387,460) on the wide-ranging student benefits we provide, as well as on the modest fundraising and other revenue-generating activities we undertake, resulted in an in-year surplus on general funds of £73,320 (2015: £17,483 deficit), the planned utilisation of Capital Fund (representing remaining depreciation on gym equipment purchases) of £63,502 (2015: £63,502), and a surplus on restricted funds of £48,969 (2015: £48,742).

The Union's unrestricted reserves at the end of the year included general funds of £93,588 (2015: £20,268), a designated fund for the eventual replacement of gym equipment of £51,131 (2015: £51,131) and the pension deficit of £1,075,814 (2015: £1,075,814). This is a long term liability which has been accounted for on adoption of new accounting requirements (FRS 102). Restricted fund balances totalled £383,010 (2015: £334,041), represented by club and society balances of £357,981 (2015: £275,521), annual fund items of £3,497 (2015: £34,062) and a balance from Sport England of £21,532 (2015: £24,458).

The Union's commercial activities were profitable, generating a contribution of £387,858 (2015: £288,997) before allocation of central overheads including rent.

The Union's incurred rent charges totalling £1,385,691 (2015: £1,307,215) which are apportioned across activities, including commercial activities. A space grant is received from the School which is presented separately on the Statement of Financial Activities.

## **Reserves Level and Policy**

Trustees have set a reserves target of £200,000 for general funds. The balance at 31 July 2016 was £93,588. The purpose of this reserve is to ensure that the Union would be able to cope with any unexpected downturn in funding or additional calls on our resources without immediately curtailing activities.

The plan is to reach the target through planned surpluses over a four year period. The Union has budgeted for approximately £70,000 of this to be achieved in 2016/17 from not having to make a deficit contribution in the year, after paying three years' contributions in 2014/15 (to achieve a discount in the region of £18,000). Pension deficit contributions are being made over a 20 year period to address the scheme deficit, with contributions subject to triennial review and annual inflationary uplift.

Trustees have also agreed a target range for designated reserves (of between £100,000 and £150,000) to assist with future gym equipment replacement. The plan is for the target to be achieved through planned surpluses from commercial activity over the medium term period. The target will be reviewed at least annually, as equipment replacement needs become clearer. The figure at 31 July 2016 was £51,131.

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**Funds**

Income and expenditure relating to clubs and societies are classified as restricted funds. All other funds have been classified as general funds, which are unrestricted in nature.

**Funds Held as Custodian Trustee**

In addition to the grant-support funds it disburses to Clubs and Societies, LSESU acts as custodian for funds raised by the students' many Clubs and Societies themselves. Club and Society funds are treated as restricted funds, which are included in restricted funds in the accounts. Material individual fund balances are disclosed in Note 14 to the accounts. The holding of club and society balances is subject to the same safeguards as balances belonging to the Union, but their funds are accounted for separately to ensure that balances are appropriately protected.

**Future Funding**

The Board confirms that LSESU has sufficient funds to meet all its obligations. The Block Grant for 2016/17 has been confirmed at £976,881.

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

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

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

The Trustees are responsible for keeping 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 and regulations made thereunder. 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.

**Disclosure of Information to Auditors**

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

Approved by the Board of Trustees on

2016 and signed on its behalf by:

.....

Busayo Twins - General Secretary

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**Independent Auditor's Report**  
**for the year ended 31 July 2016**

**Independent Auditor's Report to the Members of the London School of Economics Students' Union**

We have audited the financial statements of the London School of Economics Students' Union for the year ended 31 July 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes numbered 1 to 21.

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

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

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

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**London School of Economics Students' Union**  
**Independent Auditor's Report**  
**for the year ended 31 July 2016**

**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:

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

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Janette Joyce

Senior Statutory Auditor

For and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

Reading

**London School of Economics Students' Union**  
**Statement of Financial Activities**  
**for the year ended 31st July 2016**

	Notes	General Funds	Capital Funds	Restricted Funds	Total 2016 £	Total 2015 £
<b>Gross Income</b>						
<b>Donations:</b>						
Block Grant		963,171	-	-	<b>963,171</b>	864,821
Other University Grants		71,500	-	73,566	<b>145,066</b>	227,750
Other Grants		8,800	-	84,550	<b>93,350</b>	88,050
Space Grant		1,446,803	-	-	<b>1,446,803</b>	1,375,190
Capital Grant		63,502	-	-	<b>63,502</b>	63,502
<b>Other Trading Activities:</b>						
Commercial Activities		2,124,325	-	-	<b>2,124,325</b>	1,942,322
Media Sales		83,853	-	-	<b>83,853</b>	64,766
<b>Income from Investments</b>		2,301	-	-	<b>2,301</b>	4,686
<b>Charitable activities for students:</b>						
Clubs and Societies		-	-	1,662,020	<b>1,662,020</b>	1,544,845
<b>Other Income</b>		53,151	-	-	<b>53,151</b>	69,285
<b>Total income</b>		<b>4,817,406</b>	<b>-</b>	<b>1,820,136</b>	<b>6,637,542</b>	6,245,217
<b>Expenditure On</b>						
<b>Raising Funds</b>						
		39,604	-	-	<b>39,604</b>	102,462
<b>Charitable Activities for students:</b>						
Commercial Activities		2,587,964	63,502	-	<b>2,651,466</b>	2,577,503
Student Activities		681,015	-	191,607	<b>872,622</b>	784,110
Student Engagement		1,125,167	-	-	<b>1,125,167</b>	1,088,356
Student Support		310,336	-	-	<b>310,336</b>	319,728
Clubs and Societies		-	-	1,579,560	<b>1,579,560</b>	1,515,301
<b>Total expenditure</b>	3-7	<b>4,744,086</b>	<b>63,502</b>	<b>1,771,167</b>	<b>6,578,755</b>	6,387,460
<b>Net (outgoing)/incoming resources</b>		73,320	(63,502)	48,969	<b>58,787</b>	(142,243)
Fund balances brought forward		(1,004,415)	158,755	334,041	<b>(511,619)</b>	(369,376)
<b>Fund balances carried forward</b>		<b>(931,095)</b>	<b>95,253</b>	<b>383,010</b>	<b>(452,832)</b>	(511,619)

The notes on pages 18 to 28 form part of these accounts.



**London School of Economics Students' Union**  
**Company Registration Number 7710669**  
**Balance Sheet**  
**at 31st July 2016**

		2016	2015
		£	£
Notes			
<b>Fixed Assets</b>			
Tangible fixed assets	8	158,828	189,510
<b>Current Assets</b>			
Stock		108,424	90,079
Debtors & prepayments	9	570,487	410,552
Cash at bank & in hand		467,141	424,431
		<u>1,146,052</u>	<u>925,062</u>
<b>Current Liabilities</b>			
Creditors: Amounts due within one year	10	(681,898)	(548,511)
Provisions		-	(1,866)
		<u>(681,898)</u>	<u>(550,377)</u>
<b>Net Current Assets</b>		<u>464,154</u>	<u>374,685</u>
<b>Total Assets less Current Liabilities</b>		622,982	564,195
<b>Long term Liabilities</b>			
Pension Scheme Funding deficit		(1,075,814)	(1,075,814)
<b>Net Liabilities</b>		<u>(452,832)</u>	<u>(511,619)</u>
<b>Reserves</b>			
Restricted Funds		383,010	334,041
Unrestricted Funds:			
General Funds		93,588	20,268
Designated Funds		51,131	51,131
Pension Deficit		<u>(1,075,814)</u>	<u>(1,075,814)</u>
		(931,095)	(1,004,415)
Capital Funds		95,253	158,755
<b>Total Funds</b>	12	<u>(452,832)</u>	<u>(511,619)</u>

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

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.....  
 Busayo Twins  
 General Secretary

The notes on pages 18 to 28 form part of these accounts

**London School of Economics Students' Union**  
**Cashflow statement**  
**For the year ended 31st July 2016**

		2016	2015
		£	£
<b>Net cash used in operating activities</b>	20	<b><u>87,570</u></b>	<b><u>58,502</u></b>
<b>Cash flows from investing activities:</b>			
Interest income		2,301	4,686
Purchase of fixed assets	8	<b><u>(47,161)</u></b>	<b><u>(32,126)</u></b>
<b>Net cash used in investing activities</b>		<b><u>(44,860)</u></b>	<b><u>(27,440)</u></b>
<b>Change in cash and cash equivalents in the year</b>		<b>42,710</b>	<b>31,062</b>
Cash and cash equivalent brought forward		<b><u>424,431</u></b>	<b><u>393,369</u></b>
<b>Cash and cash equivalents carried forward</b>		<b><u>467,141</u></b>	<b><u>424,431</u></b>

The notes on pages 18 to 28 form part of these accounts.

**London School of Economics Students' Union**  
**Notes to the accounts**  
**For the year ended 31st July 2016**

**1 Accounting Policies**

**(a) Company Information**

The London School of Economics Students' union is an incorporated charity registered in the UK (Charity number 1143103. Company Number: 7710669) with its registered office at LSE Students' Union, Saw Swee Hock Student Centre, 1 Sheffield Street, London, WC2A 2AP.

The Principal activities are campaigning, representation, provision of social activities and the organisation of sporting and recreational activities and opportunities

**(b) Basis of preparation**

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

**(c) Going Concern**

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

**(d) Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

At the date of transition in applying the requirement to recognise liabilities arising from the Students' Union Superannuation Scheme, a liability was recognised at the date of transition based on the net present value of the deficit reduction plan payments, as required by the scheme actuary. The initial liability was for £1,075,814.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. The initial liability was for £7,752.

No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided.

	<b>1 August 2014 £</b>	<b>31 July 2015 £</b>
Fund balances as previously stated	706,438	571,947
SUSS Pension scheme deficit	(1,075,814)	(1,075,814)
Holiday Pay Accrual	-	(7,752)
Fund balances as restated	369,376	511,619

**London School of Economics Students' Union**  
**Notes to the accounts**  
**For the year ended 31st July 2016**

**1 Accounting Policies (continued)**

A re-statement and reconciliation of total net incoming/ (outgoing) resources is also provided:

	<b>1 August 2014 £</b>	<b>31 July 2015 £</b>
Net incoming/(outgoing) resources as previously stated	445,070	(134,491)
Holiday Pay Accrual	-	(7,752)
Net incoming/(outgoing) resources as restated	445,070	(142,243)

(e) **Incoming resources**

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

(f) **Resources expended**

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Expenditure includes irrecoverable VAT and comprises the direct and indirect costs of delivering public benefit. Governance costs are those incurred for compliance with constitutional and statutory requirements, such as the annual audit, annual elections and training for sabbatical officers. Other central overhead costs, as well as governance costs, are apportioned to charitable and other projects/activities on a usage basis, pro rata to the total costs of each project or activity undertaken.

(g) **Termination benefits**

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

(h) **Tangible fixed assets**

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

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

(i) **Pension costs**

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

**SUSS**

The Union participates in the Students' Union Superannuation Scheme (SUSS), which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the Scheme closed to future accrual. The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and

**London School of Economics Students' Union**  
**Notes to the accounts**  
**For the year ended 31st July 2016**

**1 Accounting Policies (continued)**

liabilities can be directly attributed to LSESU. However the Union has entered into an arrangement to clear the scheme deficit over a 20 year period. The Net Present Value of LSESU's contributions as part of this plan are reflected as a liability on the balance sheet, which will reduce as they are paid.

**Defined Contribution Scheme**

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

**(j) Leased assets**

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

**(k) Stock**

Stock is valued at the lower of the cost (gift value for any donated items) and its net realisable value.

**(l) Fund accounting**

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

- **Unrestricted Funds** representing unspent income which may be used for any activity/purpose at the Trustees' own discretion;
- **Restricted funds** raised and administered by the Union for specific purposes as determined by students, such as Club and Societies Accounts, as well as revenue received for purposes specified by the donor and also (if not material enough to require a separate column in the SoFA) any small capital grants received from the School.
- **Custodian Funds** entrusted to the Union for safekeeping, but not under its management control, e.g. Clubs & Societies' funds. Such custodian activities are disclosed in the Annual Report, but as the funds are not managed by the Union they cannot be included in the accounts.
- **A Capital Fund**, which relates to grant provided by the School for equipment which is released to general funds in line with the associated depreciation of related assets.
- **Designated Funds** for the eventual replacement of gym equipment which the Union anticipates needing to cover from its own funds.

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

Preparation of the financial statements requires management to make judgements and estimates. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are that of the SUSS pension scheme deficit. A discount rate of 3.2% has been used in line with industry standards. Other assumptions used are salary inflation and staff changes that total 5.0%

**London School of Economics Students' Union**  
**Notes to the accounts**  
**For the year ended 31st July 2016**

**3 Charitable and other Activity costs**

	Cost of Sales £	Staff £	Other £	Total £
<b>Raising Funds</b>	-	5,917	33,687	<b>39,604</b>
<b>Charitable Activities for students:</b>				
Commercial Activities	757,532	849,502	980,930	<b>2,587,964</b>
Student Activities	-	196,948	484,067	<b>681,015</b>
Student Engagement	-	491,445	633,722	<b>1,125,167</b>
Student Support	-	88,477	221,859	<b>310,336</b>
<b>Other Fund Expenditure:</b>				
Capital Funds	-	-	63,502	<b>63,502</b>
Restricted Funds	-	71,260	1,699,907	<b>1,771,167</b>
<b>Total costs</b>	<b>757,532</b>	<b>1,703,549</b>	<b>4,117,674</b>	<b>6,578,755</b>

Included above are governance costs for the annual audit fee of £14,280 (2015: £14,000).

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

	Usage	Staff £	Rent & Rates £	Other £	Total £
<b>Resources expended</b>					
<b>Raising Funds</b>	2%	5,917	27,714	5,973	<b>39,604</b>
<b>Charitable Activities for Students:</b>					
Commercial Activities	43%	127,222	595,847	128,428	<b>851,497</b>
Student Activities	14%	41,421	193,997	41,814	<b>277,232</b>
Student Engagement	29%	85,801	401,850	86,614	<b>574,265</b>
Student Support	12%	35,504	166,283	35,840	<b>237,627</b>
<b>Totals</b>	<b>100%</b>	<b>295,865</b>	<b>1,385,691</b>	<b>298,669</b>	<b>1,980,225</b>

**Other Costs comprised:-**

	2016 £	2015 £
Irrecoverable VAT	101,994	100,156
Bank Charges	42,610	39,763
Insurance	27,508	20,191
Consultancy and Professional Fees	24,830	36,017
Equipment Hire	14,940	30,176
Audit Fee	14,280	13,500
Training and Development	13,634	10,790
Telephone	10,984	9,202
Printing and Photocopying	8,668	2,850
Depreciation (non-commercial assets)	8,085	2,738
Office Stationery and Minor Equipment	8,070	4,825
Recruitment Expenses	5,426	12,081
Sundry Costs	17,640	32,604
<b>Total</b>	<b>298,669</b>	<b>314,893</b>

**London School of Economics Students' Union**  
**Notes to the accounts**  
**For the year ended 31st July 2016**

**5 Net income/expenditure for the year**

<b>Net income for the year is stated after charging/ (crediting)</b>	<b>2016</b>	<i>2015</i>
	<b>£</b>	<b>£</b>
Depreciation	<b>77,843</b>	<i>68,967</i>
Auditors Remuneration	<b>14,280</b>	<i>14,000</i>

**6 Staff Costs**

	<b>2016</b>	<i>2015</i>
	<b>£</b>	<b>£</b>
Wages and salaries (Full Time Staff)	<b>1,282,903</b>	<i>1,140,269</i>
Wages and salaries (Part Time Staff)	<b>285,027</b>	<i>192,056</i>
Social security	<b>109,519</b>	<i>104,461</i>
Pension costs	<b>21,838</b>	<i>220,741</i>
Other staff costs	<b>4,262</b>	<i>-</i>
	<b><u>1,703,549</u></b>	<i><u>1,657,527</u></i>

No employee (2015: 0) earned over £60,000 per annum. The aggregate employee benefits of key management personnel were £237,275 (2015: £223,308).

The accounts include termination payments totalling £32,726 (2015: £1,532). Of this, £26,112 related to staffing restructure costs and the remainder related to individual staff contract termination agreements. Amounts were settled during the financial year.

The average number of staff employed during the year was 44 (2015: 44) permanent staff and 85 (2015: 65) student and temporary staff members.

**7 Trustees' Remuneration and Expenses**

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

The total salary and social security costs for the 5 (2014/15: 5) sabbatical officers amounted to £131,865 (2014/15: £130,943). Full time sabbatical officers in post were paid a salary of £28,119 (2014/15: £25,098) for 11 months of the year whilst the new Sabbatical officers were paid £2,045 (2014/15: £2,282) for one month of the year, with the Postgraduate Officers being paid for a part-time role paid on a pro-rata basis.

Trustees were reimbursed a total of £905 (2014/15: £324) in connection with their duties during the period. The expenses reimbursed during the year related to training and attendance at conferences and meetings and were paid to three trustees.

**London School of Economics Students' Union**  
**Notes to the accounts**  
**For the year ended 31st July 2016**

**8 Tangible Fixed Assets**

	<b>Gym Equipment</b>	<b>Other Fixtures, Fittings &amp; Equipment</b>	<b>Total</b>
	£	£	£
<b>COST</b>			
At 1 August 2015	249,082	47,235	<b>296,317</b>
Additions	6,530	40,631	<b>47,161</b>
<b>At 31st July 2016</b>	<b>255,612</b>	<b>87,866</b>	<b>343,478</b>
<b>DEPRECIATION</b>			
At 1 August 2015	92,134	14,673	<b>106,807</b>
Charge for the year	63,628	14,215	<b>77,843</b>
<b>At 31st July 2016</b>	<b>155,762</b>	<b>28,888</b>	<b>184,650</b>
<b>NET BOOK VALUE</b>			
<b>At 31st July 2016</b>	<b>99,850</b>	<b>58,978</b>	<b>158,828</b>
<i>At 31 July 2015</i>	<u>156,948</u>	<u>32,562</u>	<u>189,510</u>

**9 Debtors**

	<b>2016</b>	<b>2015</b>
	£	£
Trade debtors	143,820	124,653
Social security & other taxes	3,053	6,006
Other debtors	180,479	40,701
Prepayments	243,135	239,192
	<b>570,487</b>	<b>410,552</b>

**10 Creditors: Amounts due within one year**

	<b>2016</b>	<b>2015</b>
	£	£
Trade creditors	255,121	105,216
Social security & other taxes	30,811	28,444
Accruals & Deferred income	362,467	324,449
Other creditors	33,499	90,402
	<b>681,898</b>	<b>548,511</b>

**11 Deferred Income**

	<b>2016</b>	<b>2015</b>
	£	£
Balance as at 1 <sup>st</sup> August 2015	228,448	256,088
Amount released to income earned from charitable activities	(228,448)	(256,088)
Amount deferred in year	246,639	228,448
<b>Balances as at 31<sup>st</sup> July 2016</b>	<b>246,639</b>	<b>228,448</b>

Deferred income includes a proportion of space grant relating to future periods of £229,197 and other items totalling £17,442, including Freshers income relating to the subsequent financial year.



**London School of Economics Students' Union**  
**Notes to the accounts**  
**For the year ended 31st July 2016**

**12 Funds**

	01-Aug 2015 £	Incoming Resources £	Outgoing Resources £	31-Jul 2016 £
<b>Unrestricted Funds:</b>				
General Funds	(1,055,546)	4,817,406	(4,744,086)	<b>(982,226)</b>
Designated Funds	51,131	-	-	<b>51,131</b>
	<b>(1,004,415)</b>	<b>4,817,406</b>	<b>(4,744,086)</b>	<b>(931,095)</b>
<b>Capital Fund</b>	<b>158,755</b>	<b>-</b>	<b>(63,502)</b>	<b>95,253</b>
<b>Restricted Funds:</b>				
Clubs and Societies	275,521	1,662,020	(1,579,560)	<b>357,981</b>
Annual Fund	34,062	40,566	(71,131)	<b>3,497</b>
Sport England	24,458	117,550	(120,476)	<b>21,532</b>
	<b>334,041</b>	<b>1,820,136</b>	<b>(1,771,167)</b>	<b>383,010</b>
<b>Total Funds</b>	<b>(511,619)</b>	<b>6,637,542</b>	<b>(6,578,755)</b>	<b>(452,832)</b>

Designated funds relate to amounts set aside to help finance the future costs of replacing gym equipment.

A capital grant of £254,008 was provided by the University in 2014 to fund the provision of gym equipment. This is considered to be an expendable endowment fund. This is being amortised by annual transfers to unrestricted funds over 4 years to offset the depreciation charge there of the improvements as capitalised.

**13 Analysis of Net Assets between Funds**

	Unrestricted Funds £	Capital Fund £	Restricted Funds £	Total £
Fixed Assets	63,575	95,253	-	<b>158,828</b>
Net current assets	81,144	-	383,010	<b>464,154</b>
Long Term Liabilities	(1,075,814)	-	-	<b>(1,075,814)</b>
	<b>(931,095)</b>	<b>95,253</b>	<b>383,010</b>	<b>(452,832)</b>

**14 Student Society/Club material funds held were:-**

	Brought Forward £	Net Income £	Carried forward £
Dance Society	3,495	6,665	10,160
Asian Careers Society	5,995	4,433	10,428
Business and Finance Group	20,640	(8,413)	12,227
Drama Society	13,701	(3,125)	10,576
German Society	11,426	1,963	13,389
Alternative Investments Society	(2,650)	19,833	17,183
Indian Society	15,063	3,703	18,766
Women In Business	<u>23,078</u>	<u>4,939</u>	<u>28,017</u>
<b>Total</b>	<b><u>90,748</u></b>	<b><u>29,998</u></b>	<b><u>120,746</u></b>

**London School of Economics Students' Union**  
**Notes to the accounts**  
**For the year ended 31st July 2016**

**15 Leasing Commitments**

At 31st July 2016 London School of Economics Students' Union had annual commitments under non-cancellable operating leases as detailed below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Plant and machinery</b>		
Operating leases expiring within one year	-	14,940
Operating leases expiring within two to five years	-	-
	-	-

The amount paid during the year in respect of operating leases for plant and machinery was £14,940 (2015: £31,501).

**16 Control Relationship**

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

**17 Related Party Transactions**

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

Net amounts due from/to the London School of Economics as at the year-end amounted to £21,896 due to the School (2014/15: £54,387 due from the School).

**18 Pension Costs**

***Defined benefit scheme – SUSS***

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

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

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

The following assumptions applied at 30 June 2013:-

- The investment return would be 6.1% per annum before retirement and 4.1% per annum after retirement
- Pensions accruing on the CARE basis would revalue at 3.6% per annum.

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- Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

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

In accordance with FRS102, the net present value of the future contributions required over 17 years to clear the funding deficit is £1,075,814 (2015:£1,075,814). In calculating this net present value, annual increases of 5% have been made and a discount rate of 3.2% representing the typical yield of high quality corporate bonds has then been applied.

The contributions paid into the Scheme in respect of eligible employees for the year ended 31 July 2016 amounted to £nil (2015 - £196,994 which included deficit contributions for 3 years).

***Defined Contribution Pension Scheme***

Since 1 October 2011, all participating employees have been in a new defined contribution pension scheme with Scottish Widows. Contributions are at variable rates up to 3% for the employer and a minimum contribution rate of 3% for the employee. The Union's cost of contribution in the year amounted to £21,838 (2015: £23,198).

**19 Financial Instruments**

	<b>2016</b>	<i>2015</i>
	<b>£</b>	<b>£</b>
Financial assets measured at amortised cost	<b>791,440</b>	<i>601,223</i>
Financial liabilities measured at amortised cost	<b>(404,448)</b>	<i>(291,619)</i>
Financial liabilities measured at fair value through the Statement of Financial Activities	<b>(1,075,814)</b>	<i>(1,075,814)</i>

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

	<b>2016</b>	<i>2015</i>
	<b>£</b>	<b>£</b>
<b>Income and expenses:</b>		
Total interest income for financial assets held at amortised cost	<b>2,301</b>	<i>4,686</i>
Total interest expense for financial liabilities held at amortised cost	<b>42,610</b>	<i>40,036</i>

Financial assets held at amortised cost comprise trade debtors, other debtors and cash at bank. Financial liabilities held at amortised cost comprise trade creditors, other creditors and accruals. Financial liabilities measured at fair value through the Statement of Financial Activities comprise the pension deficit contribution liability.

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Net movement in funds	<b>58,787</b>	<b>(142,243)</b>
Interest Income	<b>(2,301)</b>	<b>(4,686)</b>
Add back depreciation charge	<b>77,843</b>	<b>68,967</b>
(Increase) decrease in debtors	<b>(159,935)</b>	<b>80,809</b>
Decrease (increase) in stock	<b>(18,345)</b>	<b>30,557</b>
(Decrease) increase in creditors	<b>131,521</b>	<b>25,098</b>
	<b>87,570</b>	<b>58,502</b>

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**21 Comparative Statement of Financial Activities**

	<u>General</u> <u>Funds</u> £	<u>Capital</u> <u>Fund</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2015</u> <u>Total</u> £
<b><u>INCOME</u></b>				
<b>Donations:</b>				
University Grant	864,821	-	-	864,821
Other University Grants	188,548	-	39,202	227,750
Other Grants	-	-	88,050	88,050
Space Grant	1,375,190	-	-	1,375,190
Capital Grant	63,502	-	-	63,502
<b>Other Trading Activities</b>				
Commercial Activities	1,942,322	-	-	1,942,322
Media Sales	64,766	-	-	64,766
<b>Income From Investments</b>	4,686	-	-	4,686
<b>Charitable activities</b>				
Clubs and Societies	-	-	1,544,845	1,544,845
<b>Other Income</b>	69,285	-	-	69,285
	<b>4,573,120</b>	-	<b>1,672,097</b>	<b>6,245,217</b>
<b><u>RESOURCES EXPENDED</u></b>				
<b>Raising Funds</b>	102,462	-	-	102,462
<b>Charitable Activities</b>				
Commercial Activities	2,514,001	63,502	-	2,577,503
Student Activities	676,056	-	108,054	784,110
Student Engagement	1,088,356	-	-	1,088,356
Student Support	319,728	-	-	319,728
Clubs and Societies	-	-	1,515,301	1,515,301
	<b>4,700,603</b>	<b>63,502</b>	<b>1,623,355</b>	<b>6,387,460</b>
<b>NET INCOMING RESOURCES</b>	(127,483)	(63,502)	48,742	(142,243)
Funds brought forward	(876,932)	222,257	285,299	(369,376)
<b>Funds carried forward</b>	<b>(1,004,415)</b>	<b>158,755</b>	<b>334,041</b>	<b>(511,619)</b>