

HULL UNIVERSITY UNION LIMITED

FINANCIAL STATEMENTS

31 JULY 2015

(A company limited by guarantee)

**HULL UNIVERSITY UNION LIMITED**  
**(A company limited by guarantee)**

**CONTENTS**

	Page
<b>Reference and administrative details of the charity, its trustees and advisers</b>	<b>1</b>
<b>Trustee's report</b>	<b>2</b>
<b>Independent auditors' report</b>	<b>9 - 10</b>
<b>Consolidated statement of financial activities</b>	<b>11</b>
<b>Consolidated balance sheet</b>	<b>12</b>
<b>Company balance sheet</b>	<b>13</b>
<b>Consolidated cash flow statement</b>	<b>14</b>
<b>Notes to the financial statements</b>	<b>15 - 31</b>

**HULL UNIVERSITY UNION LIMITED**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 JULY 2015**

**Company registered number**

08475916

**Charity registered number**

1152549

**Registered office**

University House, Cottingham Road, Hull, HU6 7RX

**Chief executive officer**

Jackie Berry

**Independent auditors**

Armstrong Watson Audit Limited, Third Floor, 10 South Parade, Leeds, LS1 5QS

**Bankers**

Natwest Bank PLC, PO Box 955, 1 Humber Quays, Wellington Street West, Hull, HU1 2BN

Cazenove Capital Management, 31 Gresham Street, London, EC2V 7QA

**Solicitors**

Bridge McFarland, Suite 1 Marina Court, Castle Street, Hull, HU1 1TJ

**HULL UNIVERSITY UNION LIMITED**  
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**TRUSTEE'S REPORT**  
**FOR THE YEAR ENDED 31 JULY 2015**

The Trustees of Hull University Union Limited (HUU) are pleased to present their report and audited financial statements for the period ended 31 July 2015. In this regard the Trustees have considered the requirements of the Statement of Recommended Practice (2005): Accounting and reporting by charities.

Reference and Administrative details of Hull University Union Limited, its Trustees and Advisers

**The Board of Trustees**

**Sabbatical Officers and Trustees**

President  
Vice President Activities  
Vice President Education  
Vice President Sport  
Vice President Scarborough  
Vice President Welfare and Community

**To 28.06.15**

Richard Brooks  
Victoria Cliffe  
Gareth Ikin  
Nichola Jackson  
Thomas Swainson  
Jennifer Day

**From 29.06.15**

Chubike Okide  
Kathleen Brook  
Matthew Evans  
Gurmok Sanghera  
Simon Hernandez  
Ashleigh Davies

**Student Trustees**

Jamie Boote  
Lewis Worrow  
Elizabeth Palmer  
Shao W Fan (to 12.06.15)

**External Trustees**

Andrew Gurr (Chair to 23.11.14)  
Simon Clements (Chair from 24.11.14)  
Judith Donovan CBE  
Jeff Caplan

HUU employs a Chief Executive, Jackie Berry who works closely with the Sabbatical Officers and Trustee Board to ensure effective governance and management of the organisation. The Chief Executive is head of the Senior Management Team made up of Liz Pearce (Membership Services Director), Andy King (Commercial Services Director), Graham Jackson (Finance Manager to 28 August 2015), Kate Jude (Human Resources Manager) and Rachel Kirby (Marketing & Communications Manager).

**TRUSTEES' REPORT**

The trustees (who are also directors of Hull University Union Limited (HUU) for the purposes of company law) present their Annual Report for the year ending 31 July 2015 which includes the administrative information set out on page 3, together with the audited accounts for the year.

**Structure, Governance and Management**

HUU's key governing documents are the Memorandum and Articles of Association and the Bye-Laws. The Memorandum and Articles of Association are based on a model developed by the National Union of Students. The Bye-Laws provide for the conduct of Union affairs and the implementation of Union strategy and policy and are interpreted in such a manner as not to conflict with the Memorandum and Articles of Association.

Union Council may consider any matters affecting the interests of students of the University. Council's major role is to scrutinise and hold to account elected Trustees and student officers. The decisions of Council are subordinate to those made by referenda or the Board of Trustees. Major policy matters are put before the membership through electronic referenda.

Prior to 2013, HUU operated as an unincorporated association formed under the Education Act 1994 for many years. On 5 April 2013 Hull University Union was incorporated as a charitable company (company number 8475916, charity number 1152549). On 1 August 2013 the charitable company took over the activities and operations of a connected unincorporated charity called Hull University Union. The primary aim of HUU continues as the advancement of the education of students at the University of Hull for the public benefit.

HUU established a wholly owned subsidiary company, HUU Services Ltd, on 14th January 2000 (company number 3906837). HUU and its subsidiary company comprise "the Group". HUU carries out the charitable activities and the trading activities are carried out through the subsidiary company. The main activities of the

**HULL UNIVERSITY UNION LIMITED**  
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**TRUSTEE'S REPORT (continued)**  
**FOR THE YEAR ENDED 31 JULY 2015**

trading subsidiary are the operations of the bars, the fundraising events and the retail shop of HUU. The subsidiary has the same year-end of 31 July 2015.

The Board of Trustees are responsible for the strategic direction, governance and sustainability of HUU. The Board is made up of six Student Sabbatical Officers, four Student Trustees and four External Trustees. The Student Sabbatical Officers are elected by a secret ballot by the members each year; they are able to serve a second term in office of a further year if re-elected. The Student Trustees are also elected through a secret ballot for a term of up to two years and may serve up to two terms provided that they remain a registered student at the University of Hull. All Student Trustees are interviewed prior to being able to go forward for election. The External Trustees are recruited to the Board to bring a wider perspective and skill set from outside HUU; currently the External Trustees are all Alumni of the University of Hull. A term for an External Trustee is up to four years, and they may serve for up to two terms.

Upon appointment all trustees receive a variety of information as part of their induction. Trustees are briefed on their legal obligations and other trustee responsibilities. All trustees meet with the Chief Executive before their first Board Meeting.

The Sabbatical Officer Trustees are new to the Board each year and they all undergo a formal more intensive 12 months training programme. The new Sabbatical Officers started a week earlier this year to attend residential training prior to the handover from the outgoing team.

Training covers all aspects of their roles including governance, the HUU constitution, their legal responsibilities as trustees, key issues and decisions that have been made by the Board of Trustees and services provided to the members. A number of training sessions are given over the summer vacation period, complemented by specific role training provided by external trainers including the National Union of Students (NUS). Sabbatical Officers also attended the NUS Students' Union 2015 conference over 3 days.

New External and Student Trustees receive training when they are appointed; all Student Trustees meet with the Chief Executive before their first meeting and receive further training during their first few months in office. Plans were put in place this year to introduce two sub committees to support the work of the Board of Trustees. These committees will meet three to four times a year and are responsible for looking in depth at key aspects of HUU's governance and management.

The Finance, Audit and Risk Committee will review HUU's finances, risks, compliance with all relevant legislation and other matters that could impact on HUU's future performance. The Committee will review audit work and scrutinise the annual accounts, financial performance and annual budget. It will also scrutinise the future financial strategy.

The Appointment and Governance Development Committee will be responsible for monitoring and improving all governance at HUU. It is also responsible for ensuring that new trustees are effectively recruited and inducted and that appropriate training and development is planned and undertaken by all Trustees. It is also responsible for recruiting the CEO.

HUU operates on democratic principles, with Policy being acted upon by the six Student Sabbatical Officers. During the year, each Sabbatical Officer is responsible to their own individual zone, and is held accountable by Union Council. Full details are outlined in HUU's bye-laws and standing orders.

#### **The Senior Management Team (SMT)**

The Chief Executive is supported by five senior managers that form the Senior Management Team. This team provides the executive management of HUU, managing its activities, providing leadership to staff and ensuring that the Board and its sub committees are fully informed on all aspects of the organisation.

#### **Relationship with the University of Hull**

Under the Education Act 1994, the University of Hull has a statutory duty to take such steps as are reasonably

**HULL UNIVERSITY UNION LIMITED**  
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**TRUSTEE'S REPORT (continued)**  
**FOR THE YEAR ENDED 31 JULY 2015**

practicable to ensure that HUU operates in a fair and democratic manner and is held to proper account for its finances. HUU works in partnership with the University of Hull in ensuring that the affairs of HUU are properly conducted and that the educational and welfare needs of HUU's members are met. The formal relationship with the University is governed by the Code of Practice and HUU works closely with the University and its students to ensure they develop appropriate Bye-Laws for its working practices. The University of Hull and HUU have also defined their relationship in a formal Relationship Agreement which is reviewed annually.

### **Risk Management**

The Trustees take seriously their role in assessing the risks that face HUU. The Board has responsibility for overseeing risk management as a whole and uses the following approach to risk:

- There is an open and receptive approach to solving risk problems adopted by the Board.
- HUU makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.
- All staff are responsible for encouraging good risk management practice within their areas of work.
- Key risks are identified by the Board and key employees and will be closely monitored on a regular basis.

Due to the changes in the SMT this year, with a brand new team in place a new approach to assessing risk has been agreed with a more dynamic risk register. The priority was to ensure that procedures were in place to ensure compliance with the health and safety of staff, volunteers and participants of all activities organised by HUU. These procedures were reviewed by SMT, and a staff Health & Safety Committee set up to review these proactively. There was also a standing board meeting agenda item to update the Trustee Board.

At the start of 2014/15, the risk to HUU's commercial income materialised as student intake dropped at the University of Hull. The focus on this risk resulted in the Board of Trustees agreeing a significant restructure of staffing at HUU. Detail of the impact of this is included in the Financial Review section of this report.

The Trustees recognise the dependence on the grant from the University and this is reflected in the reserves policy in the financial review.

### **Aims, Objectives and Activities**

The purpose of HUU is the advancement of the education of students at the University of Hull. HUU achieves this by:

- Promoting the interests and welfare of students at the University of Hull during their course of study and representing, supporting and advising Members.
- Being the recognised representative channel between students and the University and any other external bodies.
- Providing cultural, sporting, social and recreational activities, opportunities to volunteer in the community and forums for discussion and debate for the personal development of its Members.

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

- Ensure 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.
- Pursue equal opportunities by taking positive action within the law to facilitate participation of groups discriminated against by society.

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

- Representation & Campaigns – HUU provides support and training for the University's student representative system. During the 2014-15 session HUU elected and engaged with over 370 course representatives in addition to departmental representatives and faculty co-ordinators.
- Advice Centre – The Advice Centre provides specialist advice on academic issues, housing and finance. The team work closely with cognate University services to achieve positive outcomes for students.
- Student Activities – The activities area includes student radio, TV and print and online publications which contribute to a vibrant campus. During 2014-15 HullFire radio began live broadcast in HUU commercial and

**HULL UNIVERSITY UNION LIMITED**  
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**TRUSTEE'S REPORT (continued)**  
**FOR THE YEAR ENDED 31 JULY 2015**

social areas. Over 100 diverse student societies attracted over 3000 members during 2014-15 and HUU Raising and Giving (RAG) raised over £70,000 for student selected charities.

- Sports – The AU comprises 50 teams with over 2000 members. In addition to regular BUCS fixtures Hull successful retained the Varsity trophy in competition with Lincoln. HUU entered a sports development partnership with the University and a Sports Development Officer with a focus on AU clubs was appointed.
- Job Shop providing students with opportunities to gain employment.
- Volunteering – HUU revised its approach to student-led volunteering through HUSSO and now will encourage students to bid for projects which meet their interests. Support will be provided to develop project proposals and deliver necessary training.
- Bar, Food Offer and Nightclub – The bar department comprises of 5 outlets which are centrally managed. The Sanctuary bar (capacity 800) has a traditional pub feel and offers food to order 7 days a week and weekly quiz and karaoke nights. The Johnny Mac bar (capacity 600) is a chameleon bar which is used as an overflow area for the Sanctuary bar during the day and a nightclub in the evenings. The bar is linked to the main Asylum nightclub by a pair of double doors and enables increased capacity during busy periods or popular events. The Asylum nightclub (capacity 1100) is the largest nightclub in Hull and has regular student club nights on Wednesdays and Saturdays named 'Tower' and 'Brassick' respectively. The 'Tower' event is affiliated with the Athletic Union teams who socialise in the venues prior to the club night starting at 10pm. Asylum is also available for external events including SMJ concerts and private functions including weddings. Eats are located in the Mall area of the building and offer hot and cold sandwiches during the lunchtime period Monday to Friday.
- Events – The Entertainment department is responsible for providing events throughout the year including WelcomeFest, the End of Year Ball and regular weekly entertainment. WelcomeFest runs for 3 weeks at the beginning of the academic year and includes a mixture of live events, Give It A Go events and alcohol free events to showcase HUU's facilities to new and existing students. The End of Year Ball is an annual event held on the first Saturday of June each year and caters for 3,500 students providing live music and food & drink in a themed setting complete with fun fair. The events and bars teams also facilitate various awards ceremonies throughout the year including HUU & Activities awards.
- Shops – The shop is the only retail outlet on campus and includes a full convenience offer as well as clothing, giftware and international food range. The shop trades 7 days a week during term time and Monday to Friday during vacation. The shop is supplied under the NUSSL agreement which focuses on ethical supply chains and free trade products.
- The Marketing team support the promotion, campaigns and publicity of both sides of the organisation. This includes commercial offers, branding and the design of artwork for use online and in print. They support staff and Sabbatical Officers to help raise awareness of events and develop campaigns. The team handle both proactive and reactive public relations and manage all digital communications including website updates, social media and creation of video content and photography.

## **STRATEGIC REPORT**

### **Achievements and Performance**

HUU saw a slight decrease in its satisfaction score from the National Student Survey (NSS) moving from 80% for the previous year to 78%. HUU's position in the UK moved from 15th in 2014 to 19th in 2015 in the UK. The average UK score is 68%.

This has been an extremely challenging year for HUU, with the impact of a decline in student numbers affecting HUU's commercial services profits. We also saw a change in how students used HUU's commercial services, with a significant decline in the sales of alcohol in the student bar and nightclub. This reflected changes that other students' unions have seen across the UK, but up until now have had less impact on HUU's commercial services. Changes to how sports teams were allowed to use the union bars for socialising also negatively impacted on sales and so profits in this area.

In reaction to this change in trading, a significant restructure of staffing was undertaken, which resulted in HUU conducting a formal consultation with all staff and the trade unions. As a result, 11 positions were made redundant, a historical annual bonus was removed and a saving of £244K was made to HUU's overall payroll spend.

Alongside the restructure, HUU took the decision to improve and diversify its commercial services, opening up

**HULL UNIVERSITY UNION LIMITED**  
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**TRUSTEE'S REPORT (continued)**  
**FOR THE YEAR ENDED 31 JULY 2015**

new areas of income for the Union. Investment was made in the Union Shop, the food area adjacent to the Sanctuary bar and also the main entrance and ground floor area. This works began in the summer of 2015 and the results of these will be reported on in the next financial year.

This was the first year of HUU's new strategic plan, with a new mission set for HUU by the Board of Trustees namely:

To enhance the lives of every student studying at the University of Hull by:

1. Bringing you together
2. Offering you opportunities to develop
3. Representing and empowering you to make change.

The strategic plan is made up of eight themes, including three critical "enabling" themes. The Trustee Board set the direction for the organisation to focus on the three enabling themes, to ensure that the building blocks and basics are in place for the organisation to move forward.

The enabling themes are:

1. HUU Sustainability and Development - This theme ensures that HUU is sustainable for the future. It focuses on HUU's finances, governance model, its environmental sustainability and relationship with the University. Key work in this area includes the review of HUU's commercial services with the new commercial initiatives introduced, the staffing restructure, changes to HUU's governance to allow for the Board to delegate to two sub committees, the formal review of the Relationship Agreement with the University.
2. HUU Communications – this theme ensures that HUU has effective communication with members, external stakeholders and its people. To support this work, changes to the Marketing team structure were made to improve support to Sabbatical Officers and communication to students. To support the commercial team we now employ a fixed-term one year Graphic Design Intern. They work with the Marketing & PR Co-ordinator to create all artwork for Sabbatical campaigns freeing up the Graphic Designer to support commercial and work on our central marketing campaigns e.g. WelcomeFest and Elections.
3. HUU People - this theme ensures that HUU has a strong staff team who work hard to support students and deliver HUU's services. The focus within this theme is on building a strong culture, recruiting and developing great people, improving our staff engagement, and building the ethos of one team at HUU. Key work in this area includes the introduction of seven new values for HUU to support the culture changes the organisation needs to make, the recruitment of a number of members of the Senior Management team, the introduction of a NUS employee survey enabling HUU to bench-mark itself against other unions and charities. The significant restructure work has meant that some of the HUU People theme work will now take place in 2015/16.

## **FINANCIAL REVIEW**

### **Summary of the Year**

This year has been an extremely challenging year financially. HUU made a deficit of £652k compared to a deficit of £22k in 2014. Incoming resources for the year totalled £4.6m compared to £5.2m in 2014. Sales in the trading company were £403k less than in 2014 and the resulting profit dropped to £30k compared to £237k in 2014. The total number of students studying at the University of Hull fell by 6.9% from 2014. This was a drop of 5.2% on the Hull campus and 25.2% on the Scarborough campus. Controls on our licensed trading activities were also reviewed and strengthened during the year. This impacted on sales, not just in bars and the nightclub, but also in the Union Shop. Income from charitable activities fell by £50k in 2015 to £406k due to reduced levels of income generated in clubs and societies. Voluntary income was £81k less than in 2014 as there was a one-off project based allocation of £52k from the University of Hull in 2014.

HUU took the tough decision and commenced a staffing restructure to reduce costs and improve the financial position for the future. HUU consulted with all permanent staff and removed an annual staff bonus from December 2016 and made 11 roles redundant. This resulted in restructure costs of £94k in 2015 and a reduction in the staff cost base by £244k annually.



**HULL UNIVERSITY UNION LIMITED**  
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**TRUSTEE'S REPORT (continued)**  
**FOR THE YEAR ENDED 31 JULY 2015**

In September 2010 we discovered that a fraud had apparently taken place at HUU. This is still under investigation with the police who are dealing with the Crown Prosecution Service on what charges are to be brought against the alleged suspect. Since then there has been a review of financial procedures and changes have been made to prevent this occurring again.

The Trustees have recognised a requirement to hold free reserves as a contingency to protect the day-to-day and short-term financial stability of the organisation. The policy is to hold free reserves of £705k based on £150k for the general day-to-day operation of the Charity and £555k which is 6 months of the subvention provided by the University of Hull. The reserves position at 31st July 2015 is £4,520,166 of which £3,338,441 is allocated to fixed assets leaving £1,181,725 free reserves.

Some of the free reserves will be used for approved capital works of £602k which commenced in the summer of 2015.

**Investment Powers of HUU**

The Chief Executive is authorised to make short and medium term investments, consistent with the objectives of the Union stated above. Long-term investments are to be made on the advice of a Manager who is regulated under the terms of the Financial Services Act 1986. The Trustees are responsible for appointing a Manager.

Any decisions by the Trustees to invest must be centred on the interests of HUU and not of the Trustees. Trustees may not exclude, to the financial detriment of HUU, a particular range or class of investments in order to give effect to some moral, political, social, environmental or ethical belief held by the Trustees but not directly related to the interests of the Union.

**External Auditors**

Haines Watts resigned as auditors confirming that there were no issues that they wished to bring to the attention of members in relation to their resignation. Armstrong Watson Audit Limited were appointed as the new auditors of the charity and trading company. This is the first year of them completing HUU Limited's audit.

**Future Plans**

The challenges and level of change taking place at HUU in 2014/15 have meant that year 2 of the new strategic plan will continue the focus on building new and strong foundations for the organisation.

Critical work will continue on the three enabling themes of the strategy with this important work ensuring that HUU is fit for purpose. We will also review the other themes of the strategic plan, ensuring that they align with the University of Hull's refreshed strategy.

Specific projects taking place over the next financial year include:

- Delivery of the new refreshed commercial areas for our students.
- A review with the University of delivery of all student services across campus.
- A review of our financial procedures and controls.
- The creation of a five-year financial strategy.
- A dynamic risk register for the organisation.
- Developing a new competency framework and fit for purpose HR system to support our staff team.
- Further work on HUU's governance using the NUS Good Governance model

**HULL UNIVERSITY UNION LIMITED**  
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**TRUSTEE'S REPORT (continued)**  
**FOR THE YEAR ENDED 31 JULY 2015**

**Directors/Trustees Statement**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

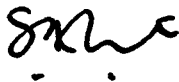
- select suitable accounting policies and then apply them consistently
- make judgments and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as each of the Directors is aware:

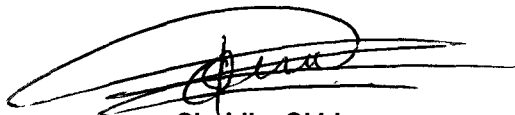
- There is no relevant audit information of which the company's auditors are unaware.
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Approval of the Trustees report and Strategic report on behalf of the board.



**Simon Clements**  
**Chair**  
**Date 7 April 2016**



**Chubike Okide**  
**President/Deputy Chair**

**Univesity House**  
**Cottingham Road**  
**Hull**  
**HU6 7RX**

**HULL UNIVERSITY UNION LIMITED**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HULL UNIVERSITY UNION LIMITED**

We have audited the financial statements of Hull University Union Limited for the year ended 31 July 2015 which comprise the group Statement of financial activities, the group and company Balance sheets, the group Cash flow statement and the related notes. 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 Auditors' 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 opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Trustee's responsibilities statement, 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](http://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 group's and the parent charitable company's affairs as at 31 July 2015 and of the group's 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.

**EMPHASIS OF MATTER**

We draw attention to Note 9 to the financial statements which relates to an exceptional item which has arisen due to the apparent discovery of a fraud at HUU. This is still under investigation by the police who are dealing with the Crown Prosecution Service on what charges are to be brought against the alleged suspect. Our opinion is not qualified in respect of this matter.

**HULL UNIVERSITY UNION LIMITED**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HULL UNIVERSITY UNION LIMITED**

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustee's report, incorporating the Group strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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 parent 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 parent charitable company 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.



Joanna Gray FCCA ACA DChA (Senior statutory auditor)

for and on behalf of

**Armstrong Watson Audit Limited**

Chartered Accountants

Third Floor  
10 South Parade  
Leeds  
LS1 5QS

Date: 8 APRIL 2016

**HULL UNIVERSITY UNION LIMITED**

**(A company limited by guarantee)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 JULY 2015**

	<b>Note</b>	<b>Unrestricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
<b>INCOMING RESOURCES</b>				
<b>Incoming resources from generated funds:</b>				
Voluntary income	2	1,319,953	1,319,953	1,401,704
Activities for generating funds	3	2,837,602	2,837,602	3,241,011
Investment income	4	30,666	30,666	24,235
Incoming resources from charitable activities	5	405,516	405,516	454,965
Other incoming resources	6	33,873	33,873	5,241,198
<b>TOTAL INCOMING RESOURCES</b>		<b>4,627,610</b>	<b>4,627,610</b>	<b>10,363,113</b>
<b>RESOURCES EXPENDED</b>				
<b>Costs of generating funds:</b>				
Costs of generating voluntary income	7	116,561	116,561	126,036
Costs of generating funds	3	2,479,766	2,479,766	2,615,152
Charitable activities	10	2,627,156	2,627,156	2,443,512
Governance costs	8	6,889	6,889	21,555
Exceptional items	9	63,307	63,307	-
<b>TOTAL RESOURCES EXPENDED</b>		<b>5,293,679</b>	<b>5,293,679</b>	<b>5,206,255</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS</b>		<b>(666,069)</b>	<b>(666,069)</b>	<b>5,156,858</b>
Gains and losses on revaluations of investment assets	15	13,702	13,702	15,675
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(652,367)</b>	<b>(652,367)</b>	<b>5,172,533</b>
Total funds at 1 August 2014		5,172,533	5,172,533	-
<b>TOTAL FUNDS AT 31 JULY 2015</b>		<b>4,520,166</b>	<b>4,520,166</b>	<b>5,172,533</b>

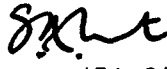
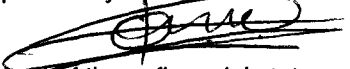
All activities relate to continuing operations.

The notes on pages 15 to 31 form part of these financial statements.

**HULL UNIVERSITY UNION LIMITED**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08475916**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 JULY 2015**

	Note	£	2015 £	2014 £
<b>FIXED ASSETS</b>				
Tangible assets	14		3,338,441	3,613,093
Investments	15		838,739	762,500
			<u>4,177,180</u>	<u>4,375,593</u>
<b>CURRENT ASSETS</b>				
Stocks	16	109,724		104,121
Debtors	17	54,049		83,986
Cash at bank and in hand		501,328		798,692
		<u>665,101</u>		<u>986,799</u>
<b>CREDITORS:</b> amounts falling due within one year	18	(322,115)		(189,859)
<b>NET CURRENT ASSETS</b>			<u>342,986</u>	<u>796,940</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,520,166</u>	<u>5,172,533</u>
<b>CHARITY FUNDS</b>				
Unrestricted funds	19		<u>4,520,166</u>	<u>5,172,533</u>
<b>TOTAL FUNDS</b>			<u>4,520,166</u>	<u>5,172,533</u>

The financial statements were approved by the Trustees on behalf, by:  *7th April 2016* and signed on their behalf, by: 

The notes on pages 15 to 31 form part of these financial statements.

**HULL UNIVERSITY UNION LIMITED**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08475916**

**COMPANY BALANCE SHEET**  
**AS AT 31 JULY 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	14		<b>3,338,441</b>		3,613,093
Investments	15		<b>838,741</b>		762,502
			<u><b>4,177,182</b></u>		<u>4,375,595</u>
<b>CURRENT ASSETS</b>					
Debtors	17	<b>318,981</b>		477,468	
Cash at bank		<b>223,473</b>		385,628	
		<u><b>542,454</b></u>		<u>863,096</u>	
<b>CREDITORS:</b> amounts falling due within one year	18	<b>(201,273)</b>		<b>(66,157)</b>	
<b>NET CURRENT ASSETS</b>			<u><b>341,181</b></u>		<u>796,939</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><u><b>4,518,363</b></u></u>		<u><u>5,172,534</u></u>
<b>CHARITY FUNDS</b>					
Unrestricted funds	19		<u><b>4,518,363</b></u>		<u>5,172,534</u>
<b>TOTAL FUNDS</b>			<u><u><b>4,518,363</b></u></u>		<u><u>5,172,534</u></u>

The financial statements were approved by the Trustees on *7<sup>th</sup> April 2016* and signed on their behalf, by: *[Signature]*

The notes on pages 15 to 31 form part of these financial statements.

**HULL UNIVERSITY UNION LIMITED**  
(A company limited by guarantee)

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 JULY 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	20	(247,870)	(130,807)
Returns on investments and servicing of finance	21	30,666	27,708
Capital expenditure and financial investment	21	(80,160)	(215,557)
<b>DECREASE IN CASH IN THE YEAR</b>		<b>(297,364)</b>	<b>(318,656)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS  
FOR THE YEAR ENDED 31 JULY 2015**

	2015 £	2014 £
Decrease in cash in the year	(297,364)	(318,656)
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>(297,364)</b>	<b>(318,656)</b>
Funds transferred from unincorporated business at 1 August 2013	-	798,711
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>(297,364)</b>	<b>480,055</b>
Net funds at 1 August 2014	798,692	318,637
<b>NET FUNDS AT 31 JULY 2015</b>	<b>501,328</b>	<b>798,692</b>

The notes on pages 15 to 31 form part of these financial statements.

**STATEMENT OF CHANGES IN RESOURCES APPLIED FOR FIXED ASSETS FOR CHARITY USE  
FOR THE YEAR ENDED 31 JULY 2015**

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Net movement in funds for the year	(652,367)	(652,367)	5,172,533
<b>NET MOVEMENT IN FUNDS AVAILABLE FOR FUTURE ACTIVITIES</b>	<b>(652,367)</b>	<b>(652,367)</b>	<b>5,172,533</b>

The notes on pages 15 to 31 form part of these financial statements.



**HULL UNIVERSITY UNION LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2015**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

**1.2 Company status**

The company is a company limited by guarantee. The members of the company are each and every member who has not opted out and the sabbatical trustees. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**1.3 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

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

Investment income, gains and losses are allocated to the appropriate fund.

**1.4 Incoming resources**

All incoming resources are included within the SOFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Voluntary income is received by way of grants, donations and gifts and is included in full in the SOFA when receivable. Grants, where the entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the charity becomes unconditionally entitled to the grant.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for re-sale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers. Grant income is recognised in the year to which the award relates.

Investment income is included when receivable.

Administration charges are rental income from H.U.U. Services Limited are accounted for when due. Gift Aid income from H.U.U. Services Limited is recognised annually when the calculation has been performed.

Incoming resources from charitable trading activities are accounted for when earned.

**HULL UNIVERSITY UNION LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2015**

**1. ACCOUNTING POLICIES (continued)**

**1.5 Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds, charitable activities and governance costs are accounted for during the period to which they relate.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Costs of generating funds are those generally incurred in services with a target objective and available to non-members. Charitable expenditure costs incurred directly in support of expenditure on the objects of the Charity. Governance costs are those incurred in connection with the administration of the Charity and compliance with constitutional and statutory requirements.

**1.6 Basis of consolidation**

The financial statements consolidate the accounts of Hull University Union Limited and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £2,000 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short-term leasehold property	-	Straight line basis between 2.6 and 3%
Motor vehicles	-	Straight line basis of 5 years
Fixtures and fittings	-	Straight line basis between 5 - 10 years

The short leasehold property from Hull University and there are only five years remaining on the lease. Under FRS 15 Tangible Fixed Assets leased assets should be depreciated over the Useful Economic Life, being the short of the useful life of the asset or the lease term. However the leasehold property is being depreciated over a term of 38 years which is the useful life of the property improvement asset. In the opinion of the trustees this is necessary in order to give a true and fair view of the financial position of the charity. HUU is an inherent part of the University and there are no plans to move from the current premises. There has been significant expenditure on remodelling the premises and there are plans for a new lease to be put in place.

**HULL UNIVERSITY UNION LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

**1. ACCOUNTING POLICIES (continued)**

**1.8 Investments**

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

(i) **Subsidiary undertakings**

Investments in subsidiaries are valued at cost less provision for impairment.

**1.9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.10 Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the 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.

**1.11 Pension scheme**

The group participates in a defined contribution pension scheme and two pension schemes providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group. The group 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, under all the pension schemes, the amount charged to the consolidated statement of financial activities represents the contributions payable to the scheme in respect of the accounting year.

**2. VOLUNTARY INCOME**

	<b>Unrestricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<i>Total funds 2014 £</i>
University of Hull subvention	1,311,791	1,311,791	1,311,791
Other grant income	8,162	8,162	89,913
	<hr/>	<hr/>	<hr/>
Voluntary income	<b>1,319,953</b>	<b>1,319,953</b>	1,401,704
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The grant from the University of Hull to enable the Union to pursue its objects. The grant is a substantial part of total income from which the Union is dependent on its continuing receipt.

**HULL UNIVERSITY UNION LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

**3. TRADING ACTIVITIES - H.U.U. SERVICES LIMITED**

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>H.U.U. Services Limited - Trading</b>			
Turnover	2,837,602	2,837,602	3,241,011
<b>H.U.U. Services Limited - Trading Expenses</b>			
Exceptional (see note 9)	(5,424)	(5,424)	-
Charity trading cost of sales	1,366,916	1,366,916	1,468,680
Administration expenses	1,118,274	1,118,274	1,146,472
	<u>2,479,766</u>	<u>2,479,766</u>	<u>2,615,152</u>
Net profit from trading activities	<u>357,836</u>	<u>357,836</u>	<u>625,859</u>

**Net profit from trading activities prior to consolidation**

	2015 £	2014
Net Income from trading activities	357,836	625,859
Rent and fees paid to parent	(327,912)	(388,006)
Gift aid to parent	(30,345)	(237,853)
Investment income	421	-
Net profit prior to consolidation	<u>-</u>	<u>-</u>

Hull University Union Limited owns 100% of the issued share capital in H.U.U. Services Limited.

**4. INVESTMENT INCOME**

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Dividends	29,605	29,605	24,017
Bank interest received - Hull University Union Limited	640	640	218
Bank interest received - H.U.U. Services Limited	421	421	-
	<u>30,666</u>	<u>30,666</u>	<u>24,235</u>

**HULL UNIVERSITY UNION LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Income (see below table)	<u>405,516</u>	<u>405,516</u>	<u>454,965</u>

**Income from charitable activities**

	Governance £	Activities £	Welfare and Community £	Sports £
Membership subscriptions	125	46,460	241	103,054
Event income	207	67,398	152	53,137
Marketing	-	3,250	-	41,172
Fees	-	540	-	787
Other	210	2,349	440	31,780
Total	<u>542</u>	<u>119,997</u>	<u>833</u>	<u>229,930</u>

	S'borough £	Education £	Admin £	2015 £	2014 £
Membership subscriptions	2,396	-	-	152,276	146,871
Event income	1,527	-	11,899	134,320	157,647
Marketing	375	-	27,300	72,097	102,967
Fees	10	-	-	1,337	530
Other	701	63	9,943	45,486	46,950
Total	<u>5,009</u>	<u>63</u>	<u>49,142</u>	<u>405,516</u>	<u>454,965</u>

**HULL UNIVERSITY UNION LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

**6. OTHER INCOMING RESOURCES**

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Other service activities	33,873	33,873	46,198
Donation of net assets from connected unincorporated organisation	-	-	5,195,000
	<u>33,873</u>	<u>33,873</u>	<u>5,241,198</u>

On 5 April 2013 Hull University Union Limited was incorporated as a charitable company. On 1 August 2013 the charitable company took over the activities and operations of a connected unincorporated charity called Hull University Union. The charitable company has the same management and underlying functions as the unincorporated charity and its activities have effectively continued seamlessly into the charitable company.

**7. COSTS OF GENERATING VOLUNTARY INCOME**

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Administration Expenses	<u>116,561</u>	<u>116,561</u>	<u>126,036</u>

**8. GOVERNANCE COSTS**

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Other governance costs	17	17	-
Professional fees	-	-	9,226
Trustee staff costs	6,871	6,871	12,328
Subtotal	<u>6,888</u>	<u>6,888</u>	<u>21,554</u>
Other governance costs	1	1	1
	<u>6,889</u>	<u>6,889</u>	<u>21,555</u>

**HULL UNIVERSITY UNION LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

**9. EXCEPTIONAL ITEM**

	Unrestricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Other resources expended	63,307	63,307	-

The exceptional item has arisen due to the apparent discovery of a fraud at HUU. This is still under investigation by the police who are dealing with the Crown Prosecution Services on what charges are to be brought against the alleged suspect.

**10. CHARITABLE ACTIVITY EXPENSES**

	Governance £	Activities £	Welfare and Community £	Sports £
Support costs	-	90	-	34,366
Rent	-	-	-	-
Depreciation	-	-	-	-
Staff costs	39,442	18,821	150,961	50,226
Office expenses & running costs	13,083	121,803	9,447	218,395
Other	-	23,279	-	7,791
	<u>52,525</u>	<u>163,993</u>	<u>160,408</u>	<u>310,778</u>

	S'borough £	Education £	Admin £	Total 2015 £	Total 2014 £
Support costs	18,090	-	143,026	195,572	175,077
Rent	-	-	202,000	202,000	202,000
Depreciation	-	-	170,821	170,821	194,239
Staff costs	108,214	59,701	954,096	1,381,461	1,150,163
Office expenses & running costs	16,582	10,689	149,567	539,566	575,592
Other	50	-	106,616	137,736	146,441
	<u>142,936</u>	<u>70,390</u>	<u>1,726,126</u>	<u>2,627,156</u>	<u>2,443,512</u>

The administrative costs includes auditors remuneration of £12,150 (2014: £10,432).

**HULL UNIVERSITY UNION LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

**11. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charitable group	<u>278,572</u>	<u>318,637</u>

**12. STAFF COSTS AND TRUSTEE REMUNERATION**

Staff costs were as follows:

	2015 £	2014 £
Trustee staff costs	<u>6,871</u>	<u>12,328</u>

The average monthly number of employees during the year was as follows:

	2015 No.	2014 No.
Charitable activities	19	26
Costs of generating funds	37	41
Management and administration of the Union	22	18
	<u>78</u>	<u>85</u>

The number of higher paid employees was:

	2015 No.	2014 No.
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>

Staff costs were as follows:

	2015 £	2014 £
Wages & salaries	1,930,813	1,771,407
National insurance	113,569	108,723
Pension contributions	138,583	109,717
Total	<u>2,182,965</u>	<u>1,989,847</u>



**HULL UNIVERSITY UNION LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

**Trustee Remuneration**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Mr R Brooks	<b>15,663</b>	17,037
Ms V Winterton	-	17,037
Ms B Tomlinson	-	17,037
Mr J Boote	-	17,037
Ms R Legane	-	17,037
Mr T Swainson	<b>15,956</b>	17,037
Mr C Okide	<b>1,968</b>	-
Mr S Hernandez	<b>1,968</b>	-
Ms V Cliffe	<b>16,343</b>	-
Ms K Brook	<b>1,968</b>	-
Mr G Ikin	<b>16,119</b>	-
Mr M Evans	<b>2,000</b>	-
Ms N Jackson	<b>16,047</b>	-
Mr G Sanghera	<b>1,968</b>	-
Ms J Day	<b>16,183</b>	-
Ms A Davies	<b>2,000</b>	-
	<hr/>	<hr/>
Total	<b>108,183</b>	<b>102,222</b>
	<hr/>	<hr/>

The Internal Trustees are remunerated in accordance with a pay scale used by HUU to pay its employees. The amount is not related to the responsibilities of the roles, as it is for other staff members, but merely to reimburse them for cost of living expenses, as they are precluded from other full time work during their period of office. They undertake full time, full year executive management activities. Authority for payment is by HUU Constitution.

**HULL UNIVERSITY UNION LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2015**

**13. PENSION SCHEMES**

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The group is also a member of the Universities Superannuation Scheme (USS) and University of Hull Pension and Assurance (UHPAS), providing benefits based on final pensionable pay.

Because the group is unable to identify its share of the scheme's assets and liabilities on a consistent and reasonable basis, as permitted by FRS17 - Retirement Benefits, the scheme has been accounted for, in these financial statements as if the scheme was a defined contribution scheme.

USS funding position at 31 March 2014 show the total assets at £41.6bn and total liabilities of £46.9bn indicating a shortfall of £5.3bn, therefore cover is in place for 89% of the benefits which had accrued to members.

UHPAS funding position at 6 April 2012 show the total assets at £64.7m and the total liabilities of £92.4m indicating a shortfall of £27.6m, therefore cover is in place for 70% of the benefits which had accrued to members.

**HULL UNIVERSITY UNION LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

**14. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Short-term leasehold property £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 August 2014	3,026,430	12,032	893,268	3,931,730
Additions	-	-	101,960	101,960
Disposals	(46,614)	-	(161,804)	(208,418)
Transfer between classes	168,737	-	(161,684)	7,053
At 31 July 2015	<u>3,148,553</u>	<u>12,032</u>	<u>671,740</u>	<u>3,832,325</u>
<b>Depreciation</b>				
At 1 August 2014	17,146	2,406	299,085	318,637
Charge for the year	136,027	2,406	140,139	278,572
On disposals	(22,433)	-	(80,892)	(103,325)
At 31 July 2015	<u>130,740</u>	<u>4,812</u>	<u>358,332</u>	<u>493,884</u>
<b>Net book value</b>				
At 31 July 2015	<u>3,017,813</u>	<u>7,220</u>	<u>313,408</u>	<u>3,338,441</u>
At 31 July 2014	<u>3,009,284</u>	<u>9,626</u>	<u>594,183</u>	<u>3,613,093</u>

**HULL UNIVERSITY UNION LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

<b>Company</b>	<b>Short-term leasehold property £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 August 2014	3,026,430	12,032	893,268	3,931,730
Additions	-	-	101,960	101,960
Disposals	(46,614)	-	(161,804)	(208,418)
Transfer between classes	168,737	-	(161,684)	7,053
At 31 July 2015	<u>3,148,553</u>	<u>12,032</u>	<u>671,740</u>	<u>3,832,325</u>
<b>Depreciation</b>				
At 1 August 2014	17,146	2,406	299,085	318,637
Charge for the year	136,027	2,406	140,139	278,572
On disposals	(22,433)	-	(80,892)	(103,325)
At 31 July 2015	<u>130,740</u>	<u>4,812</u>	<u>358,332</u>	<u>493,884</u>
<b>Net book value</b>				
At 31 July 2015	<u>3,017,813</u>	<u>7,220</u>	<u>313,408</u>	<u>3,338,441</u>
At 31 July 2014	<u>3,009,284</u>	<u>9,626</u>	<u>594,183</u>	<u>3,613,093</u>

**15. FIXED ASSET INVESTMENTS**

<b>Group</b>	<b>Listed securities</b>
<b>Market value</b>	
At 1 August 2014	762,500
Additions	91,239
Disposals	(15,000)
At 31 July 2015	<u>838,739</u>
<b>Group material investments</b>	
UK Equities	266,029
International Equities	104,638
UK Bonds	107,684
International Bonds	60,104
Multi-Asset Funds	154,169
Property	146,115
	<u>838,739</u>
	<u>762,500</u>

The total gains on investments during the year was £13,702 (£15,675 2014).

**HULL UNIVERSITY UNION LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

**15. FIXED ASSET INVESTMENTS (continued)**

	Listed securities	Sub total carried forward
<b>Company</b>		
<b>Market value</b>		
At 1 August 2014	762,500	762,500
Additions	91,239	91,239
Disposals	(15,000)	(15,000)
	<u>838,739</u>	<u>838,739</u>
At 31 July 2015	<u>838,739</u>	<u>838,739</u>
	Sub total brought forward	Shares in group undertakings
<b>Company</b>		Total
<b>Market value</b>		
At 1 August 2014	762,500	2
Additions	91,239	-
Disposals	(15,000)	-
	<u>838,739</u>	<u>2</u>
At 31 July 2015	<u>838,739</u>	<u>2</u>

H.U.U. Services Limited is a subsidiary, on the basis of dominant control which is registered in England and Wales. The capital and reserves of this company at 31 July 2015 and 2014 amounted to £2. H.U.U. Services Limited pays all profits to Hull University Union Limited under Gift Aid arrangements. Consequently it retained profit for the year end 31 July 2015 and 2014 amounted to £nil, see note 3.

**16. STOCKS**

	Group	Company
	2015 £	2014 £
Raw materials	109,724	104,121
	<u>109,724</u>	<u>104,121</u>

**HULL UNIVERSITY UNION LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

**17. DEBTORS**

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	18,156	24,578	15,256	17,222
Other debtors	1,331	21,814	294,031	442,293
Prepayments and accrued income	34,562	37,594	9,694	17,953
	<u>54,049</u>	<u>83,986</u>	<u>318,981</u>	<u>477,468</u>

**18. CREDITORS:  
Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	115,460	91,557	37,813	23,530
Other taxation and social security	103,693	51,134	60,546	-
Other creditors	69,747	24,723	69,747	22,319
Accruals and deferred income	33,215	22,445	33,167	20,308
	<u>322,115</u>	<u>189,859</u>	<u>201,273</u>	<u>66,157</u>

**19. SUMMARY OF FUNDS**

	Brought Forward	Incoming resources	Resources Expended	Gains/ (Losses)	Carried Forward
	£	£	£	£	£
General funds	<u>5,172,533</u>	<u>4,627,610</u>	<u>(5,293,679)</u>	<u>13,702</u>	<u>4,520,166</u>

**HULL UNIVERSITY UNION LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

**20. NET CASH FLOW FROM OPERATING ACTIVITIES**

	Continuing £	Discontinued £	2015 Total £	2014 £
Net incoming resources before revaluations	(666,069)	-	(666,069)	5,156,858
Returns on investments and servicing of finance	(30,666)	-	(30,666)	(27,708)
Investment gain	13,702	-	13,702	(3,444)
Exceptional items	-	-	-	(5,195,000)
Depreciation of tangible fixed assets	278,572	-	278,572	-
(Increase)/decrease in stocks	(5,603)	-	(5,603)	5,895
Decrease/(increase) in debtors	29,936	-	29,936	(20,807)
Increase/(decrease) in creditors	132,258	-	132,258	(46,601)
<b>Net cash outflow from operations</b>			<b>(247,870)</b>	<b>(130,807)</b>

**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	1,061	3,691
Dividends received	29,605	24,017
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>30,666</b>	<b>27,708</b>
	2015 £	2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(101,960)	(186,301)
Sale of tangible fixed assets	105,092	-
Purchase of listed investments	(91,239)	(215,347)
Sale of listed investments	15,000	186,091
Exceptional item	(7,053)	-
<b>Net cash outflow capital expenditure</b>	<b>(80,160)</b>	<b>(215,557)</b>

**HULL UNIVERSITY UNION LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

**22. ANALYSIS OF CHANGES IN NET FUNDS**

	1 August 2014 £	Cash flow £	Other non-cash changes £	31 July 2015 £
Cash at bank and in hand:	798,692	(297,364)	-	501,328
<b>Net funds</b>	<b>798,692</b>	<b>(297,364)</b>	<b>-</b>	<b>501,328</b>

**23. CONTINGENT ASSET**

HUU may be able to recover funds from the alleged fraud as reported in note 9. Nothing has been included in the SOFA in respect of this as the recovery is uncertain and the value cannot be reliably estimated.

**24. CAPITAL COMMITMENTS**

At 31 July 2015 the group and company had capital commitments as follows:

	<b>Group</b>		<b>Company</b>	
	2015 £	2014 £	2015 £	2014 £
Contracted for but not provided in these financial statements	521,000	-	521,000	-

**25. OPERATING LEASE COMMITMENTS**

At 31 July 2015 the Group had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>	
<b>Group</b>	2015 £	2014 £	2015 £	2014 £
<b>Expiry date:</b>				
Within 1 year	202,000	202,000	8,294	10,383

At 31 July 2015 the Company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>	
<b>Company</b>	2015 £	2014 £	2015 £	2014 £
<b>Expiry date:</b>				
Within 1 year	202,000	202,000	-	-



**HULL UNIVERSITY UNION LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2015**

**26. RELATED PARTY TRANSACTIONS**

Hull University Union Limited (HUU) owns 100% of the ordinary share capital in H.U.U. Services Limited, during the year the following inter-company transactions occurred:

Rent and fees paid to HUU = £327,912 (2014: £388,005)  
Gift aid paid to HUU = £30,345 (2014: £237,853)

At the year end the amount due payable to HUU was £294,030 (2014: £420,479) and is included within other debtors (note 17).

There are a number of transactions between HUU and The University of Hull to enable HUU to continue to achieve its objectives and provision of support. The following transactions occurred during the year:

Income:  
Subvention Grant £1,311,791  
Other Income £121,027

Expenses:  
Rent £202,000  
Other Expenses £43,233

At the year end the amount payable to the University of Hull was £55.

**27. PRINCIPAL SUBSIDIARIES**

<b>Company name</b>	<b>Country</b>	<b>Percentage Shareholding</b>
H.U.U. Services Limited	United Kingdom	100