

Registered number: 08475916
Charity number: 1152549

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the company, its trustees and advisers	1 - 2
Trustees' report	3 - 8
Independent auditors' report on the financial statements	11
Consolidated statement of financial activities	12
Consolidated statement of financial position	13
Company statement of financial position	14
Consolidated statement of cash flows	15
Notes to the financial statements	16 - 35

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 2019

Company registered number

08475916

Charity registered number

1152549

Registered office

Student Central
Cottingham Road
Hull
HU6 7RX

Chief executive officer

Jane Stafford

Senior Management Team

Kevin Pearson, Finance and Resource Manager
Liz Pearce, Member Services Director (resigned 03/05/2019)
Andy King, Commercial Services Director
Kate Jude, Human Resources Manager
Rachel Kirby, Marketing & Communications Manager (resigned 26/07/2019)

Independent auditors

Armstrong Watson Audit Limited
Chartered Accountants
York House
Northallerton
North Yorkshire
DL6 2XQ

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

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

Solicitors

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

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2019

The Trustees of Hull University Union Limited (HUU) are pleased to present their annual trustee's report together with the audited consolidated financial statements of the charity and its subsidiary for the year ended 31 July 2019. In this regard the Trustees have considered the requirements of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

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

The Board of Trustees

Student Officers and Trustees	(to 28.06.19)	(from 29.06.19)
President of the Students Union	Osaro Otobo	Isobel Hall
President Activities	Thomas McNamara	Thomas McNamara
President Education	Isobel Hall	Nguper Orduen
President Sport	Nicholas Wright	Erin Pettit
President Inclusivity & Diversity	Andrew Costigan	Abigail Morris

Student Trustees

Rebekah Greaves (to 23.05.19)
Kathryn Sharman (to 23.05.19)
Madeline Holden (to 23.05.19)
Connor Massey (to 23.05.19)
Huseyin Edward Harslan (from 24.05.19)
Anotidaishe Manjanja (from 24.05.19)
Lee Pearson (from 24.05.19)
Ryan Ward (from 24.05.19)

External Trustees

Stuart Ferguson (Chair)
Gaius Powell
Alan Bolchover
Sara Webb (from 07.03.19)

HUU employs Jane Stafford as Chief Executive, who works closely with the Student Presidents and Trustee Board to ensure effective governance and management of the organisation. The Chief Executive's direct reports include, Andy King (Commercial Services Director), Kevin Pearson (Finance and Resource Manager), Kate Jude (Human Resources Manager), Liz Pearce (Membership Services Director) and Rachel Kirby (Marketing & Communications Manager) left their roles part way through the year and they remained unfilled as at 31st July 2019.

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 2019 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. Following a review of Governance the Memorandum and Articles of Association (Articles of Association) went to a Referendum in March 2019, this referendum failed to reach quorate and so a case was made to the Charity Commission to lower the quorate from 10% to 5%. This was approved by the Charity Commission prior to the end of the financial year. A second referendum is now planned for the start of the next Academic year.

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 presidents. 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

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

08475916, 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 is 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 03906837). 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 trading subsidiary are the operations of the bars, food outlets, entertainment, HUU Homes and the retail shops of HUU. The subsidiary has the same year end of 31 July 2019.

The Board of Trustees are responsible for the strategic direction, governance and sustainability of HUU. The Board is made up of five President Trustees, four Student Trustees and four External Trustees. The President Trustees 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 through an interview process 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 three years, and they may serve for up to two terms.

Upon appointment all trustees receive two detailed training sessions led by the Chief Executive each of around 2 hours and a Trustee handbook which sets out all of the detail as part of their induction. Trustees are briefed on their legal obligations and other trustee responsibilities. The President Trustees are new to the Board each year unless re-elected for a second year and they all undergo a range of training in addition to the training set out above. The Presidents attend residential training in late June and have a planned handover from the outgoing team.

President 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.

The Finance and Human Resources Committee reviews HUU's finances, human resources, risks, compliance with all relevant legislation and other matters that could impact on HUU's future performance. The Committee reviews audit work and scrutinise the annual accounts, financial performance and annual budget. It also scrutinises the future financial strategy. This was the first year that the committee assumed responsibilities for human resources.

The Appointment and Governance Development Committee is 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.

The Membership and Participation Committee was a new committee established this year and is responsible for reviewing, overseeing and recommending changes to the Board for the core activities and services provided to our members.

HUU operates on democratic principles, with Policy being acted upon by the five Presidents. During the year, each President 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

The Chief Executive is supported by one Director and two Managers that form the Senior Management Team. This team provides the executive management of HUU, and HUUS Ltd managing the group's activities, providing leadership to staff and ensuring that the Boards and sub committees are fully informed on all aspects of the organisation.

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

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 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 which is reviewed regularly. The University of Hull and HUU have also defined their relationship in a formal Relationship Agreement which is reviewed annually, this year the agreement was audited by the University Business improvement unit, the outcome was that the agreement was effective in all areas. Work will take place next year on further developing the way the relationship agreement works between the two organisations.

Risk Management

The Trustees fulfil 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 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.

HUU uses a dynamic approach towards its risk register. The simplified format was introduced during the year to greater focus on the review of the risks. It is updated on a quarterly basis and is reviewed by the Finance Audit and Human Resources Committee which feeds any issues and actions being undertaken to the Board. Relevant risks are also reviewed by the appropriate Board sub committees.

The focus during the year has been on continuing to mitigate risks associated with HUU's finances. There has been a continued pressure on the income we generate from our commercial operations with a reduced number of students attending the University and changes in how students spend their funds. There has also been increases in pension costs and liabilities associated with the Universities Superannuation Scheme. The University provided £300k of additional grant to HUU during the year as in the previous two years. The total grant will reduce from £1.6m to £1.45m in 2019/20 but this still represents an additional £150k above the baseline provided in 2015/16.

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

Objectives and Activities

The objectives 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 recognized 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.

Achievements and Performance

As the final part of the rebrand HUU launched its new website and updated all branded signage to the building.

During Trimester one a review of the current strategic plan took place and an overlay plan for the next eighteen months was put in place to move HUU towards a new strategy which will come into place from August 2020. The priorities and work has included:

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

Carrying out a corporate governance review and consultation on HUU democratic governance with stakeholders. The corporate review was carried out from September to December 2018 and included work to update the Memorandum and Articles of Association, these changes were approved by the Board of Trustees and the Senate and Council of the University of Hull before being put before the Student body in the form of a referendum, the referendum did not reach quorate of 10% and therefore did not pass, a case was put before the Charity Commission in April to reduce the quorate to 5% and request a further referendum. The changes to the board and committee structure were agreed and implemented by January 2019. The democratic governance review took place from October 2018 to February 2019 a subsequent Referendum to vote on the proposed changes failed to pass in March 2019, however changes were made to the way that Sabbatical Officer Trustees are held to account by Union Council where passed at Union Council and Accountability Panels are being developed from the new Academic year 2019-20.

To develop and mobilise a digital strategy for HUU, with the purpose of improving the student experience and creating efficiencies and improving engagement. Work started in December 2018 and was completed by April 2019, the digital strategy work is now set out in a number of work streams which are being delivered through the different departments across HUU.

Working with the University of Hull to complete the planned remodel and refurbishment of some of the ground and all of the first floor of Student Central. Work to develop the scheme in partnership with the University of Hull took place throughout the year including consultation with our student members. The student union workforce including Sabbatical officers, membership services, the advice centre and all back office staff were moved from their location on the first floor to a new temporary location on the second floor to accommodate scheme enabling works to the University of Hull Student services in late summer 2018. The scheme reached the point of completed planning permission and started on RIBA stage 4 by the end of the financial year.

The HUU joined a small handful of Unions nationally in June to work in partnership with Student Minds on a three year emotional and mental health project to develop a support package for Students Unions to improve and support our services to students.

Other key outcomes/achievements

There were two questions in the 2018 National Student Survey that focus on the students union. For HUU, the question about how effectively we represent students' academic interests increased by 1.43% to 58.44%, this is significantly above the benchmark for the University of Hull of 54.82%. The question on the overall service of HUU in 2018-19 was 66.53% which is a decrease of 0.04% on 2018. (Correction: the figure of 66.75% quoted in the 2018 Annual accounts should have read 66.57%).

HUU has completed its second year of an agreement with Alterline, a specialist market research agency, on a different approach to gathering student feedback. The Pulse survey goes out to different students each month across the entire academic year. Satisfaction with the Students Union was 51% this year.

Student groups – A choice of 51 sports clubs and over 100 societies offer a diverse range of opportunities for students to develop both their skills and socially. 4,837 students registered to join a HUU student group during the year. We run a "Give it a go" programme to provide a range of activities and trips around the UK for students to get involved in. We had 79 students engage in student-led volunteering over the year and working with the Police and Crime Commissioner delivered the second only Appropriate Adult volunteering scheme in the Country and the only one delivered by a Students Union the scheme has won a number of awards nationally and regionally. The Student Opportunities team is made up of staff and students and provides support and assistance in the safe running of activities including health and safety, recruitment and finance including fundraising and development.

Student Voice – The March 2019 elections saw an increase in voter turnout to 16.6% up from 14.8% in 2018. The President of Education led a project to transform the way academic representation is carried out which was approved by the Course rep forum, Education Zone, Union Council and University Student Experience, Employment and Engagement Committee. The Student Voice team is made up of staff and students working to improve the academic experience for all students, and leads on all democratic activities of the Union including facilitating Union Council and providing support and training and assistance in the elections and by-elections and

HULL UNIVERSITY UNION LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

referendum activity.

Fundraising: HUU has a Raising and Giving Standing Committee (RAG) the volunteers involved in this carried out a number of fundraising activities raising £78,864 for charitable causes.

Bar and venues – HUU has the Sanctuary bar which is open during the day and evenings, Eats and Eats Italia and Scoop an ice cream parlour. Our night time licensed venue Asylum provides late night entertainment every Wednesday in the form of the HUU Tower night and has regular live music and entertainment acts at other times throughout the year.

Events – HUU events provides the live music and DJ's for our venues, working with external promoters VMS Ltd. the team also provides support to our WelcomeFest events. This year we did not go ahead with our end of year celebration event due to low ticket sales. An events committee is to be established at the beginning of the next academic year.

Shop – HUU have a partnership with SPAR to use their products and branding and also with Anytza for bakery goods. T Print for branded clothing items.

FINANCIAL REVIEW

Summary of the Year

There has been an overall negative net movement in funds of £2.6m compared to a negative movement of £85k in 2018. Total income for the year was £5.15m compared to £5.32m in 2018. The additional subvention of £300k was provided by the University again this year and this will be reduced to £150k for 2019/20. This decision was been made as part of the University taking action to save £25m in 2019/20. The reduction in student numbers on campus put further pressure on our commercial sales in the trading company. Total sales were £3.15m which was £190k less than 2018. Sales in the shop increased by £23k on 2018 to £1.59m. Drinks sales in the student bar and nightclub venues fell by £98k to £614k. Catering and coffee sales were £568k which was a decrease of £27k. Ticket sales for our events dropped by £82k on last year overall. Total expenditure was £7.7m compared to £5.4m in 2018. The additional expenditure is primarily due to an impairment in fixed assets of £2.5m. HUU has previously recognised an asset on its balance sheet relating to the development of the fabric of Student Central. This work was completed to improve the quality of services provided to members in prior years. The related lease of the building expires in November 2020 meaning that HUU's control of the related asset is due to expire. Given this backdrop, the Board considers that it has fully utilised the economic value of this asset (an accounting principle) and has therefore fully depreciated it within the year. Whilst this has been another challenging year, steps are being taken to balance the budget by 20/21.

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 original subvention provided by the University of Hull for 2019. The reserves position at 31st July 2019 is £2.3m of which £643k is allocated to tangible fixed assets leaving £1.7m free reserves.

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.

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

Future Plans

Our mission continues to be to enhance the lives of every student studying at the University of Hull, 2019-20 is the final year of the current strategic plan, work started at our July 2019 Board away day and Trustee meeting where the direction and strategic themes were identified for 2020-2025. The new strategic plan is expected to be signed off by the Board of Trustees in April 2020. The University have taken the decision to postpone the redevelopment of the ground and first floor of Student Central and are working with HUU on making some minor improvements in the coming academic years.

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 judgements 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 the 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.



Stuart Ferguson
Chair



Isobel Hall
President/Deputy Chair

Date 16th January 2020

Student Central
Cottingham Road
Hull
HU6 7RX

HULL UNIVERSITY UNION LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HULL UNIVERSITY UNION LIMITED

Opinion

We have audited the financial statements of Hull University Union Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2019 which comprise the Consolidated statement of financial activities, the Consolidated statement of financial position, the , the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 July 2019 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HULL UNIVERSITY UNION LIMITED
(CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the .

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

- the parent charitable company has not kept adequate and sufficient 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.

Responsibilities of trustees

As explained more fully in the Trustees' 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF HULL UNIVERSITY UNION LIMITED
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 opinions we have formed.



Simon Turner (Senior statutory auditor)

for and on behalf of
Armstrong Watson Audit Limited

Chartered Accountants
Statutory Auditor

Northallerton

Date: 18 January 2020

HULL UNIVERSITY UNION LIMITED
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2019**

	Note	Unrestricted funds 2019 £	Unrestricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies	4	1,635,391	-	1,635,391	1,624,910
Charitable activities	5	367,409	-	367,409	356,536
Other trading activities		3,085,471	-	3,085,471	3,275,099
Investments	6	42,318	-	42,318	33,334
Other income		20,727	-	20,728	28,561
Total income		5,151,316	-	5,151,316	5,318,440
Expenditure on:					
Raising funds		2,792,694	-	2,792,694	2,924,277
Charitable activities	8	2,097,684	2,865,281	4,962,965	2,498,337
Total expenditure		4,890,378	2,865,281	7,755,659	5,422,614
Net losses on investments		(2,856)	-	(2,856)	19,145
Net income/(expenditure)		258,082	(2,865,281)	(2,607,199)	(85,029)
Transfers between funds	20	(3,508,866)	3,508,866	-	-
Net movement in funds		(3,250,784)	643,585	(2,607,199)	(85,029)
Reconciliation of funds:					
Total funds brought forward		4,954,691	-	4,954,691	5,039,720
Net movement in funds		(3,250,784)	643,585	(2,607,199)	(85,029)
Total funds carried forward		1,703,907	643,585	2,347,492	4,954,691

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 16 to 35 form part of these financial statements.

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 JULY 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	643,585	3,352,587
Investments	15	1,157,388	1,145,254
		<u>1,800,973</u>	<u>4,497,841</u>
Current assets			
Stocks	16	73,301	91,207
Debtors	17	112,328	43,331
Cash at bank and in hand		882,402	779,941
		<u>1,068,031</u>	<u>914,479</u>
Creditors: amounts falling due within one year	18	(359,107)	(320,637)
Net current assets		<u>708,924</u>	<u>593,842</u>
Total assets less current liabilities		<u>2,509,897</u>	<u>5,091,683</u>
Provisions for liabilities		(162,404)	(136,992)
Total net assets		<u>2,347,493</u>	<u>4,954,691</u>
Charity funds			
Unrestricted fixed asset funds	20	643,585	-
Unrestricted funds	20	1,703,908	4,954,691
Total funds		<u>2,347,493</u>	<u>4,954,691</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Stuart Ferguson
Chair



Isobel Hall
President/Deputy Chair

Date: 16 January 2020

The notes on pages 16 to 35 form part of these financial statements.

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

**COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 JULY 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	643,585	3,352,587
Investments	15	1,157,390	1,145,256
		1,800,975	4,497,843
Current assets			
Debtors	17	135,757	135,309
Cash at bank and in hand		653,180	567,916
		788,937	703,225
Creditors: amounts falling due within one year	18	(100,484)	(137,147)
Net current assets		688,453	566,078
Total assets less current liabilities		2,489,428	5,063,921
Provisions for liabilities		(117,462)	(108,136)
Total net assets		2,371,966	4,955,785
Charity funds			
Unrestricted funds	20	2,371,966	4,955,785
Total funds		2,371,966	4,955,785

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Stuart Ferguson
Chair



Isobel Hall
President/Deputy Chair

Date: 16 January 2020

The notes on pages 16 to 35 form part of these financial statements.

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	22	309,209	(311,587)
Cash flows from investing activities			
Dividends, interests and rents from investments		12,134	586,136
Proceeds from the sale of intangible assets		-	(155,342)
Purchase of tangible fixed assets		(156,279)	-
Purchase of investments		(12,134)	(586,137)
Net cash used in investing activities		(156,279)	(155,343)
Change in cash and cash equivalents in the year		152,930	(466,930)
Cash and cash equivalents at the beginning of the year		779,941	1,246,871
Cash and cash equivalents at the end of the year	24	932,871	779,941

The notes on pages 16 to 35 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 2019

1. General information

The company is limited by guarantee. The members of the company are each and every member who has not opted out and the student 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.

The principal activity of the company is to provide support and entertainment to the students of Hull University.

The company's registered office is Student Central, Cottingham Road, Hull, HU6 7RX, from where the company operates.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Hull University Union Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated statement of financial position consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

Notwithstanding the net deficit of £2,607,199 the accounts have been prepared on the going concern basis. The trustees are aware of this deficit and are taking sufficient steps to ensure operations can continue. The charity has net assets of £2,371,966 at the statement of financial position date and confirmed subvention funding for the year ended 31 July 2020 and anticipated for the year ended 31 July 2021 therefore liabilities can continue to be met as they fall due.

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.3 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Statement of financial position. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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 commercial on the delivery of a specific performance by the Charity, are recognised when the charity becomes unconditionally entitled to the grant.

Grant income is recognised in the year to which the award relates.

Investment income is recognised when receivable.

Administration charges being rental income from H.U.U Services Limited are recognised when they are 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.

2.4 Expenditure

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

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

2.5 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.

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided 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 3 - 10 years

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Statement of financial position date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

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

2.8 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.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit and loss.

2.9 Debtors

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

2.10 Cash at bank and in hand

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

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Statement of financial position date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.12 Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.13 Financial Instruments

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

2.14 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.15 Pensions

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

The Group operates a defined benefits pension scheme, the Universities Superannuation Scheme (USS). However, the scheme is a multiple employer scheme and the group is unable to identify its share of the underlying assets and liabilities. As permitted by Section 28 - Employee Benefits, the scheme has been accounted for, in these financial statements as if the scheme was a defined contribution scheme.

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

2. Accounting policies (continued)

2.16 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 Group 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

3. Critical accounting estimates and areas of judgement

FRS 102 makes the distinction between a group and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer.

A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the profit and loss in accordance with section 28 of FRS102.

The directors are satisfied that the scheme provided by the Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements as a provision (see note 25).

4. Income from donations and legacies

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
University of Hull subvention grant	1,611,790	1,611,790	1,611,790
Other grant income	23,601	23,601	13,120
Total 2019	1,635,391	1,635,391	1,624,910

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

5. Income from charitable activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Charitable activities	367,409	367,409	356,536

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Dividends from investments	41,122	41,122	33,049
Bank interest received	1,196	1,196	285
	<u>42,318</u>	<u>42,318</u>	<u>33,334</u>

7. Other incoming resources

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other service activities	20,727	20,727	28,561

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Unrestricted fixed assets 2019 £	Total funds 2019 £	Total funds 2018 £
Governance	43,600	-	43,600	26,235
Activities	112,885	-	112,885	110,822
Welfare and Community	23,650	-	23,650	26,065
Sports	191,113	-	191,113	284,247
Education	21,637	-	21,637	21,401
Admin	1,704,799	2,865,281	4,570,080	2,029,567
	<u>2,097,684</u>	<u>2,865,281</u>	<u>4,962,965</u>	<u>2,498,337</u>
Total 2018	<u>2,177,847</u>	<u>320,490</u>	<u>2,498,337</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Total funds 2019 £	Total funds 2018 £
Governance	43,600	43,600	26,235
Activities	112,885	112,885	110,822
Welfare and Community	23,650	23,650	26,065
Sports	191,113	191,113	284,247
Education	21,637	21,637	21,401
Admin	4,570,080	4,570,080	2,029,567
	<u>4,962,965</u>	<u>4,962,965</u>	<u>2,498,337</u>

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

10. Trading activities - H.U.U Services Limited

	2019 £	2018 £
H.U.U. Services Limited - Trading		
Turnover	3,085,471	3,275,099
Other operating income	6,802	12,097
Charity trading cost of sales	(1,657,074)	(1,791,060)
Administrative expenses	(1,458,378)	(1,455,974)
	(3,108,850)	(3,234,937)
Net profit from trading activities	(23,379)	40,162
	2019 £	2018 £
Net profit from trading activities		
Net income from trading activities	299,030	362,851
Rent and fees paid to parent	(322,757)	(322,757)
Investment income	348	68
Net profit prior to consolidation	(23,379)	40,162

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

11. Auditors' remuneration

	2019 £	2018 £
Fees payable to the company's auditor for the audit of the company's annual accounts	13,250	12,875

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

12. Staff costs and trustee remuneration

	2019 £	2018 £
Total Charity cost of employment (including recruitment and training)	1,242,234	1,227,054
	<u>1,242,234</u>	<u>1,227,054</u>

The average number of persons employed by the company during the year was as follows:

	2019 No.	2018 No.
Charitable activities	18	18
Costs of generating funds	34	36
Management and administration of the union	23	23
	<u>75</u>	<u>77</u>

The number of higher paid employees was:

	2019 £	2018 £
In the band £60,001 - £70,000	1	1

	2019 £	2018 £
Staff costs for the company are:		
Wages and salaries	1,002,022	986,014
National insurance	82,294	80,204
Pension contributions	79,469	77,160
Total	<u>1,163,785</u>	<u>1,143,378</u>

	2019 £	2018 £
Group staff costs were as follows:		
Wages and salaries	1,719,783	1,720,073
National insurance	168,697	114,882
Pension contributions	133,044	98,790
Total	<u>2,021,524</u>	<u>1,933,745</u>

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

13. Student officers remuneration

	2019 £	2018 £
O Ootobo (President)	18,278	18,408
J Craig	-	3,707
S Anwar	-	17,208
C O'Neil	-	9,211
J Watts	-	17,287
T McNamara	19,172	1,960
I Hall	18,835	1,960
N Wright	18,007	1,960
A Costigan	18,126	1,960
N Orduen	1,016	-
E Pettit	1,880	-
A Morris	1,880	-
	<u>97,194</u>	<u>73,661</u>

The Internal Trustees are remunerated in accordance with a pay scale used by HUU to pay it's 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 2019

14. Tangible fixed assets

Group and Company

	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 August 2018	3,148,553	12,032	1,426,762	4,587,347
Additions	-	-	156,279	156,279
At 31 July 2019	3,148,553	12,032	1,583,041	4,743,626
Depreciation				
At 1 August 2018	518,849	12,032	703,879	1,234,760
Charge for the year	134,673	-	206,312	340,985
Impairment charge	2,495,031	-	29,265	2,524,296
At 31 July 2019	3,148,553	12,032	939,456	4,100,041
Net book value				
At 31 July 2019	-	-	643,585	643,585
At 31 July 2018	2,629,704	-	722,883	3,352,587

During the year the Trustees, in line with the Groups accounting policy, assessed the recoverable value of tangible fixed assets in comparison to their carrying value. Reflecting this, there were no indicators that short-term leasehold property assets could be realised at a later date. As such, Trustees consider these assets to be impaired and have recognised an impairment charge accordingly.

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

15. Fixed asset investments

Group	Listed Investments £
Cost or valuation	
At 1 August 2018	1,145,254
Additions	81,000
Disposals	(68,866)
At 31 July 2019	1,157,388
Net book value	
At 31 July 2019	1,157,388
At 31 July 2018	1,145,254

company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 August 2018	2	1,145,254	1,145,256
Additions	-	81,000	81,000
Disposals	-	(68,866)	(68,866)
At 31 July 2019	2	1,157,388	1,157,390
Net book value			
At 31 July 2019	2	1,157,388	1,157,390
At 31 July 2018	2	1,145,254	1,145,256

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 the company at 31 July 2019 and 2018 amounted to £2. H.U.U. Services Limited distributes all profits to Hull University Union Limited under Gift Aid arrangements this totalled £NIL (£35,750) as the company was loss making. Consequently its retained loss for the year end 31 July 2019 amounted to £23,377 (2018 - £NIL).

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

16. Stocks

	Group 2019 £	Group 2018 £
Goods for resale	73,301	91,207

The amount of stocks recognised as an expense in the Consolidated statement of financial activities was £1,639,168 (2018 - £1,653,808).

17. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Due within one year				
Trade debtors	39,230	19,745	72,086	79,340
Other debtors	52,758	4,816	52,425	43,840
Prepayments and accrued income	20,340	18,770	11,246	12,129
	112,328	43,331	135,757	135,309

18. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	75,778	107,866	31,609	58,744
Amounts owed to group undertakings	33,744	-	-	-
Other taxation and social security	45,179	40,822	-	1,670
Obligations under finance lease and hire purchase contracts	-	563	-	563
Other creditors	58,308	7,033	7,396	15,609
Accruals and deferred income	146,098	164,353	61,479	60,561
	359,107	320,637	100,484	137,147

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

19. Provisions

	Pension liability provision £
Group	
At 1 August 2018	136,992
Amounts used	(19,530)
At 31 July 2019	117,462
	2019 £
Company	
At 1 August 2018	108,136
Amounts used	(9,326)
At 31 July 2019	98,810

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

20. Statement of funds

Statement of funds - current year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
Unrestricted funds						
General Funds - all funds	4,954,691	5,151,317	(4,890,378)	(3,508,866)	(2,856)	1,703,908
Unrestricted fixed asset funds						
Unrestricted fixed asset funds	-	-	(2,865,281)	3,508,866	-	643,585
Total of funds	4,954,691	5,151,317	(7,755,659)	-	(2,856)	2,347,493

Statement of funds - prior year

	Balance at 1 August 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2018 £
Unrestricted funds					
General Funds - all funds	5,039,720	5,318,440	(5,422,614)	19,145	4,954,691

21. Summary of funds

Summary of funds - current year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
General funds	4,954,691	5,151,317	(4,890,378)	(3,508,866)	(2,856)	1,703,908
Unrestricted fixed asset funds	-	-	(2,865,281)	3,508,866	-	643,585
	4,954,691	5,151,317	(7,755,659)	-	(2,856)	2,347,493

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

21. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 August 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2018 £
General funds	5,039,720	5,318,440	(5,422,614)	19,145	4,954,691

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(2,577,933)	(85,029)
Adjusted for:		
Depreciation charges	340,985	320,489
Impairment charges	2,495,031	-
Listed investments additions and changes in market value	(12,134)	(586,137)
Movement in pension liability	25,412	(13,916)
Decrease/(increase) in stock	17,906	40,556
Decrease/(increase) in debtors	(68,997)	59,560
Increase/(decrease) in creditors	88,939	(47,110)
Net cash (used in)/provided by operating activities	309,209	(311,587)

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Unrestricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	643,585	643,585
Fixed asset investments	1,157,388	-	1,157,388
Current assets	1,068,031	-	1,068,031
Creditors due within one year	(359,107)	-	(359,107)
Provisions for liabilities and charges	(162,404)	-	(162,404)
Total	1,703,908	643,585	2,347,493

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	3,352,587	3,352,587
Fixed asset investments	1,145,254	1,145,254
Current assets	914,478	914,478
Creditors due within one year	(320,637)	(320,637)
Provisions for liabilities and charges	(136,992)	(136,992)
Total	4,954,690	4,954,690

24. Analysis of cash and cash equivalents

	<i>Group 2019 £</i>	<i>Group 2018 £</i>
Cash in hand	932,871	779,941
Total cash and cash equivalents	932,871	779,941

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

25. Pension commitments

The latest available full actuarial valuation of the scheme was at 31 March 2017 (the valuation date), which was carried out using the projected unit method.

Since the institution cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2017 valuation was the fourth valuation for USS under the scheme specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2019	2018
Discount rate	2.5%	2.6%
Pension salary growth	n/a	n/a
Pension increases (CPI)	1.5%	2.4%

The main demographic assumption used related to the mortality assumptions. These assumptions have been updated for the 31 March 2019 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2018 actuarial valuation.

Mortality in retirement is assumed to be in line with the Continuous Mortality Investigations (CMI) SI NA tables as follows:

Mortality base table

Pre-retirement:

2019: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.

2018: 72% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.

Post retirement:

2019: 97.6% of SAPS S1 NMA 'light' for males and 102.7% of RFV00 for females.

2018: 96.5% of SAPS S1 NMA 'light' for males and 101.3% of RFV00 for females.

Future improvements to mortality

2019: CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

2018: CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

	2019	2018
Males currently aged 65 (years)	24.4	24.5
Females currently aged 65 (years)	25.9	26.0
Males currently aged 45 (years)	26.3	26.5
Females currently aged 45 (years)	27.7	27.8
	2019	2018
Scheme assets	£63.7bn	£63.6bn
Total scheme liabilities	£67.3bn	£72.0bn
FRS 102 total scheme deficit	£3.6bn	£8.4bn
FRS 102 total funding level	95%	88%

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

26. Operating lease commitments

At 31 July 2019 the Group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Not later than 1 year	206,800	<i>250,712</i>	202,000	<i>202,000</i>
Later than 1 year and not later than 5 years	75,333	<i>378,174</i>	69,333	<i>269,333</i>
	282,133	<i>628,886</i>	271,333	<i>471,333</i>

27. Related party transactions

The company taken advantage if the exemption contained in Section 33 of FRS 102 "Related Party Disclosures" from disclosing transactions with entities which are part of the group, since 100% of the voting rights in the company are controlled within the group and the company is included within the group accounts which are publicly available.

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 £1,611,790 (2018 - £1,611,790).

Expenses:

Rent £202,000 (2018 - £202,000)

At the year end the amount payable to the University of Hull was £2,854 (2018 - £634).

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

28. Principal subsidiaries

H.U.U. Services Limited

Subsidiary name	H.U.U. Services Limited
Company registration number	03906837
Basis of control	
Equity shareholding %	100%

Total assets as at 31 July 2019	£364,050
Total liabilities as at 31 July 2019	£387,427
Total equity as at 31 July 2019	(£23,377)

Turnover for the year ended 31 July 2019	£3,085,671
Expenditure for the year ended 31 July 2019	£3,108,850
Loss for the year ended 31 July 2019	£23,379

