

Company Registration Number 08475916
Charity number: 1152549

HULL UNIVERSITY UNION LIMITED

FINANCIAL STATEMENTS

31 JULY 2017

(A company limited by guarantee)

ArmstrongWatson[®]
Accountants & Financial Advisers

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2017**

Company registered number

08475916

Charity registered number

1152549

Registered office

Student Central
Cottingham Road
Hull
HU6 7RX

Chief executive officer

Jackie Berry

Senior management team

Kevin Pearson, Finance and Resource Manager
Liz Pearce, Membership Services Director
Andy King, Commercial Services Director
Kate Jude, Human Resources Manager
Rachel Kirby, Marketing & Communications Manager

Independent auditor

Armstrong Watson Audit Limited
Chartered Accountants
Third Floor
10 South Parade
Leeds
West Yorkshire
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

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEE AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2017

Advisers (continued)

Solicitors

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

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TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 JULY 2017

This report, incorporating the Group strategic report, was approved by the Trustees, in their capacity as company directors, on 14 December 2017 and signed on their behalf by:

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 2017. 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

President	Matthew Evans (to 16.12.16)	Osaro Otobo (from 01.07.17)
Vice President Activities	Amy Jackson (to 31.06.17)	John Craig (from 01.07.17)
Vice President Education	Matthew Thorneycroft (to 31.06.17)	Salman Anwar(from 01.07.17)
Vice President Sport	Matthew Bramall(to 31.06.17)	Caitlin O'Neill (from 01.07.17)
Vice President Scarborough	Simon Hernandez (to 31.06.17)	Role removed (from 01.07.17)
Vice President Welfare and Community	George Bainbridge (to 31.06.17)	Jennie Watts (from 01.07.17)

Student Trustees

Rebekah Greaves
Osaro Otobo (to 30.06.17)
Andrew Paluszkiwicz
Shannon Webb (to 18.07.17)
Kathryn Sharman (from 06.07.17)
Madeline Holden (from 19.07.17)

External Trustees

Stuart Ferguson (Chair)
Simon Clements
Robin Gilchrist
Gaius Powell (from 25.07.17)

HUU employs a Chief Executive, Jackie Berry who works closely with the Student 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), Kevin Pearson (Finance and Resource Manager), 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 2017 which includes the administrative information set out on pages 1 and 2, 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

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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

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 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 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 2017. All profits from the trading subsidiary are gifted to Hull University Union Ltd to be reinvested in charitable activities.

The Board of Trustees are responsible for the strategic direction, governance and sustainability of HUU. The Board is made up of six Student Officers, four Student Trustees and four External Trustees. The Student 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 Student Officer Trustees are new to the Board each year and they all undergo a formal, more intensive 12 months training programme. The new Student Officers attend residential training in late June and have a planned 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.

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. Two sub committees support the work of the Board of Trustees. The committees meet four to five 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 reviews HUU's finances, 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.

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.

HUU operates on democratic principles, with Policy being acted upon by the six Student Officers. During the year, each Student 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.

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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

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 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.

HUU uses a dynamic approach towards its risk register. It is updated on a quarterly basis and is reviewed by the Finance Audit and Risk Committee which feeds any issues and actions being undertaken to the Board.

The focus during the year has been on continuing to mitigate risks associated with HUU's finances. The level of risk reduced through the year due to improved performance in our shop and catering outlets and the recovery of funds from the fraud discovered in September 2015. The Board continues to recognise the need to focus on mitigating risks that impact on HUU's financial sustainability with a continuing changing environment in the HE sector. There has also been a focus on reviewing the approach to the management of risks and our processes in relation to health and safety and how we prepare for the new General Data Protection Regulations that come into place in May 2018.

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:

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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

- 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:

- HUU provides support and training for the University's student representative system. During the 2016 17 session HUU elected and engaged with over 400 academic representatives, launching a new 'impact reporting' approach to showcase their work. HUU worked in partnership with the University on the Student Voice Project which aimed to maximise student voice mechanisms at course, school and faculty level. HUU produced its annual Student Written Submission highlighting issues in the academic and wider student experience, the report was presented to University Senate and resulted in a joint action plan addressing key concerns. HUU contributed to the University's successful Teaching Excellence Framework (TEF) submission in 2017. The University was awarded a Silver TEF rating. During semester 1 of the 2016-17 session HUU held a referendum regarding the Student Officer Team structure with a proposal to move to faculty-based officer roles. The referendum was called in response to research undertaken through the HUU Governance Review. The referendum was unsuccessful and work to ensure that HUU represents its diverse membership is ongoing. A second referendum, proposing a move away from Union Council, scheduled for semester 2 was cancelled. The Student Officer team initiated a range of awareness and change campaigns including a successful voter registration campaign ahead of the 2017 General Election. HUU also launched the Your Ideas Scheme to engage the whole student body in contributing ideas for improvements in HUU, the University and the wider community.
- The HUU Advice Centre provides specialist impartial advice on academic issues, housing and finance. During the 2016-17 session the team handled over 900 student cases, in addition to a significant volume of ad hoc triage work. The team worked closely with cognate University services and external agencies to achieve positive outcomes for students.
- HUU supports and co-ordinates a range of student activities including competitive sports clubs, societies, student media and volunteering. During 2016 17 HUU supported students to run over 100 diverse student societies and 50 sports teams. HUU sports teams climbed 3 places in the BUCS leagues to 76th place. As part of the Hull UK City of Culture 2017 HUU co-ordinated a student Fringe Festival featuring a range of performance talent from our members. HUU's Raising and Giving (RAG) committee raised over £122,000 for charities including Childreach International, RSPCA, the Eye Fund and Canine Partners. The RAG team won RAG of the Year at the annual RAG Awards. The 2017 HUU Awards saw over 280 nominations for outstanding student volunteers – more than double the number submitted in the previous year. HUU rolled out enhanced media law training for all students participating in the media and hosted a successful Media Alumni Day to support students seeking careers in the media.
- The HullSTARS (Student Accommodation Rating Scheme) aims to improve the standard of student accommodation in Hull by working closely with landlords, Hull City Council and students. During 2016-17, 818 student property reviews were collected and a total 2,969 reviews are currently live on the HullSTARS system, 250 student properties were audited against the agreed HullSTARS criteria.
- During 2016-17 it was agreed that the management of the HUU Job Shop function would transfer to the University ensuring that part-time work opportunities are linked to the wider work of the University's Careers and Employability Service.
- HUU's Give It A Go scheme organised 66 events during year including city breaks, theatre trips, sports activities and craft events.
- Bar, Food Offer and Nightclub – The bar department comprises of 5 outlets which are centrally managed. The Sanctuary bar has been refurbished during the summer break with the main changes being the removal of

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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

the dividing wall between the main bar area and the Clubhouse, the reconfiguring of the bar area and decoration throughout. The new scheme is vibrant and has replaced the dull traditional pub furniture with comfortable fixed seating booths, high posser seating and quirky fixtures and fittings. The venue remains at a capacity of 800 but the changes have allowed for a further 50 seated covers. Sanctuary has a brand new menu and continues to offer food to order Monday – Saturday. There is a weekly calendar of events which includes a weekly quiz and popular karaoke nights. The Johnny Mac bar (capacity 600) is a chameleon bar which is used as an additional Starbucks outlet 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 a regular student club night on Wednesdays named 'Tower'. 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 is located in the Mall area of the building and offers hot and cold sandwiches during the lunchtime period Monday to Friday. EATS Italia offers freshly prepared pizzas to order during the day and also acts as our late night food provision during club nights in line with our premises licence.

- 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 2 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 the HUU awards.
- Shop – Following the disaffiliation from the NUS we underwent a supplier tender process and moved supply to SPAR from 1st January 2017. The shop continues to have a full convenience offer as well as clothing, giftware and international food range. The move to SPAR included a small refurbishment which expanded the chiller space which has allowed us to expand the fresh range to cater for the new campus accommodation self-catered units in the Court Yard. Further works were carried out during the summer break to drop the raised floor area and make the space fully accessible for wheelchair users. The move to SPAR has been a great success both in terms of turnover and customer feedback.
- 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 Student 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.

Achievements and Performance

2016/17 was the third year of HUU's strategic plan, with a mission 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 question asked in the National Student Survey in 2017 was changed from previous years to provide a focus on Students' Unions role in representing students' academic interests. 53.19% of students said that HUU effectively represented their academic interests. This was 3.6% below the national average of 56.79%. HUU will be working with the University of Hull to improve this position in future years.

HUU has entered an agreement with Alterline, a specialist market research agency, on a new approach to gathering feedback. The Student Life Pulse survey is designed to gather month by month insight into the lives, experience and journeys of students. Through 9 surveys delivered throughout the year we will be able to measure our progress on our strategic plan, track student perceptions and experience to help us drive improvement, measure the impact we have on our members' lives. Importantly we will be able to compare some

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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

of our results with other SUs who use the approach (currently University of Manchester and Leeds Beckett). We will receive three pulse reports per year (January, April and July) and alongside the reports we will run quarterly focus groups to discuss and explore topics in more detail. The first survey will include questions to measure the response to WelcomeFest 2017 and the survey was launched on 5th October.

On 31st December 2016, HUU disaffiliated from the NUS. The immediate impact of the disaffiliation was on HUU's commercial services, which could no longer be purchased from NUS Services (the NUS buying consortium) a tender process was completed, with new suppliers appointed to supply HUU from 1 January 2017.

The focus of 2016/17 has been as follows:

Area of Focus and Achievement

A review of the other themes of the HUU strategic plan, to ensure that they align with the University of Hull's refreshed strategy, and have clear measurable outcomes for students.

The strategic plan was reviewed by the Board, with outcomes agreed for students. A dashboard measuring key KPIs has been introduced.

One governance change referenda was held; students voted against the proposed change to Officer roles. As a result, the Student Officer Team decided not to proceed with a second referenda, but to undertake further consultation.

Student academic representation aligned to the University Shape and Size programme.
Following feedback received in HUU's Governance Review each full-time Student Officer has a link role with a University Faculty alongside the existing elected Faculty Reps.

Changes agreed and implemented with the University for the delivery of student services across campus.
Key University and HUU staff reviewed the relevant areas of delivery, and identified areas of synergy and partnership working.

A holistic building strategy agreed for University House, with full student engagement.
A strategy for the development of Student Central was agreed, and as a result, a capital funding programme has been approved by University Council.

Other key activity/outcomes:

Strategic Theme	Activity/outcomes
HUU Sustainability and Development : <ul style="list-style-type: none">• Finance• Governance• Environmental• University Relationship	<ul style="list-style-type: none">• Closed our activities at the Scarborough Campus.• Recovery of £582,000 from the fraud committed in 2015• Improvement in commercial performance.
HUU Communications: <ul style="list-style-type: none">• Members• External stakeholders• HUU people	<ul style="list-style-type: none">• HUU vision/rebrand exercise begun• Marketing Team restructure creating a team of three Marketing Co-ordinators with a broader job description and a focus on content creations• Welcomefest year 3 delivered, with increased focus on digital communications• Award winning Welcomefest app relaunched• Updated HUU web site, along with upskilling staff to use the Student Union Management System.• Alumni Walk of Fame
HUU People: <ul style="list-style-type: none">• Culture	<ul style="list-style-type: none">• NUS Employee Engagement Survey conducted, with 84% staff agreeing that they "would whole heartedly

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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2017

- Recruitment
 - Development
 - Staff Engagement
- Help Me
- recommend this organization as a good place to work".
 - 75 Staff reviews conducted using the new on-line People HR system.
- Help Me
- Advice Centre team handled over 900 student cases, in addition to a significant volume of ad hoc triage
 - 818 HullSTARS student property reviews were collected.
 - 2,969 reviews are now live on the HullSTARS system.
 - 250 student properties audited against the agreed HullSTARS criteria.
 - HUU Homes helped 290 student access quality accommodation.
- My World
- HUU delivered its 3rd WelcomeFest, HUU's festival of welcome for all students.
 - 66 GIAG events ran, with almost 2000 attendees.
 - HUU's Fringe Festival showcased student performances as part of Hull 2017 UK City of Culture.
 - HUU facilitated two successful community action litter pick events in the local area.
 - RAG committee raised over £122,000 for charities, HUU RAG awarded RAG of the Year at the annual RAG Awards.
 - HUU contributed to the planning and development of the new Week 0 – Welcome Week.
- My Union Services
- £4.5 million capex agreed for Student Central.
 - 51% students understood that we are a social enterprise?
 - 1.03m views of our website pages.
 - Tender process conducted resulting in new suppliers being introduced to replace NUS Services.
 - Spar Shop opened in January 2017.
- My Voice
- 1400 nominations for Student Led Teaching Awards
 - Elected and engaged with over 400 academic representatives, launching a new 'impact reporting' approach to showcase their work.
 - Worked in partnership with the University on the Student Voice Project establishing Student Staff Forums across the University.
 - Continued to engage with students on HUU's Governance Review through face to face consultation.
- My Development
- 3,184 students joined HUU societies
 - 2,433 students joined HUU sports
 - 187 staff were students employed at HUU with £278K wages paid.
 - 280 student nominations were received for outstanding student volunteers at the 2017 HUU Awards.

FINANCIAL REVIEW

Summary of the Year

This has been a further year of rebuilding and moving towards a financially sustainable future. HUU made a surplus of £666k compared to a surplus of £14k in 2016. Total income for the year was £5.91m compared to £4.87m in 2016. This was mainly due to the recovery of £582k of funds from the fraud discovered in September 2015. There was an additional subvention of £300k from the University which will continue for the next two

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TRUSTEE'S REPORT (continued)
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years. Sales in the trading company were £419k ahead of 2016 at £3.3m. Sales in the shop increased by £400k on 2016 due to the move to a SPAR supplied and branded operation. Drinks sales in the student bar and nightclub venues fell by £15k but this was a much smaller reduction compared to the trend we have seen in previous years. Catering and coffee sales increased by £140k. This was partly due to the main catering outlet run by the University (Staff House) being closed for refurbishment. The end of year ball proved very successful again this year with 3,500 students attending the event. Ticket sales for our events dropped by £95k on last year. Due to the disaffiliation from the NUS, we entered an agreement with SPAR and the shop was rebranded as SPAR and they became the main supplier of products sold in the shop from January 2017. This was successful and has been well received by students and staff. We also entered into an agreement with Carlsberg as the main supplier to our bars. Total expenditure for the year was £311k more than 2016 due increased purchases for resale in our commercial outlets.

In September 2015 we discovered that a fraud had taken place at HUU and the total loss was £801k over a 13-year period from May 2002. Mr Graham Jackson, the former Finance Manager of HUU, appeared at Hull Crown Court on the 1st September 2016 and was found guilty of committing the fraud and was sentenced to 5 years in prison. The police took steps to recover funds from Mr. Jackson and he was ordered by the court to repay £582k. This has been received in full and is reflected in the Financial Statements.

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 2017. The reserves position at 31st July 2017 is £5.04m of which £4.08 is allocated to fixed assets leaving £960k of 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.

Future Plans

Our mission continues to be to enhance the lives of every student studying at the University of Hull, delivering on the themes of HUU's strategic plan.

Specific activity taking place over the next financial year includes:

- An organisational wide objective to diversify student engagement, supporting HUU to engage with the full diversity of student groups.
- A specific focus on engagement with students at an academic level, improving HUU's academic representation of students.
- A building development capital expenditure plan agreed for Student Central, with full student engagement.
- Continuing dialogue with the University for the delivery of student services across campus.

Directors/Trustees Statement

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

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TRUSTEE'S REPORT (continued)
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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

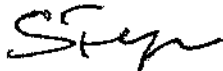
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

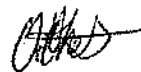
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Stuart Ferguson
Chair
Date 14th December 2017



Osaro Otobo
President/Deputy Chair



Student Central
Cottingham Road
Hull, HU6 7RX

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

OPINION

We have audited the financial statements of Hull University Union Limited (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2017 which comprise the group Consolidated statement of financial activities incorporating income and expenditure account, the group Consolidated balance sheet, the group 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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 2017 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 OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 Trustee's 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 MEMBERS OF HULL UNIVERSITY UNION LIMITED

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the 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 Group strategic report for which the financial statements are prepared is consistent with the financial statements.

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 Group strategic report.

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations specified by law 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's or the parent charitable company's 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 MEMBERS OF HULL UNIVERSITY UNION LIMITED

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

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

Armstrong Watson Audit Limited

Joanna Gray FCCA ACA DChA (Senior statutory auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants

Leeds

Date: 15-12-17

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2017**

	Note	Unrestricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
INCOME FROM:				
Donations and legacies	2	1,624,234	1,624,234	1,471,684
Charitable activities	3	373,884	373,884	478,166
Other trading activities	7	3,297,375	3,297,375	2,881,769
Investments	4	18,551	18,551	22,113
Other income	5	594,781	594,781	13,917
TOTAL INCOME		<u>5,908,825</u>	<u>5,908,825</u>	<u>4,867,649</u>
EXPENDITURE ON:				
Raising funds	8	2,859,952	2,859,952	2,512,601
Charitable activities	6	2,412,485	2,412,485	2,351,059
TOTAL EXPENDITURE		<u>5,272,437</u>	<u>5,272,437</u>	<u>4,863,660</u>
NET INCOME BEFORE INVESTMENT GAINS				
Net gains on investments	11	636,388	636,388	3,989
		29,318	29,318	9,613
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		<u>665,706</u>	<u>665,706</u>	<u>13,602</u>
NET MOVEMENT IN FUNDS		<u>665,706</u>	<u>665,706</u>	<u>13,602</u>
RECONCILIATION OF FUNDS:				
Total funds brought forward		4,374,015	4,374,015	4,360,413
TOTAL FUNDS CARRIED FORWARD		<u>5,039,721</u>	<u>5,039,721</u>	<u>4,374,015</u>

The notes on pages 19 to 39 form part of these financial statements.

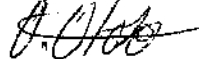
HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 08475916

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	9		3,517,737		3,701,330
Investments	10		559,115		477,362
			4,076,852		4,178,692
CURRENT ASSETS					
Stocks	11	131,763		140,546	
Debtors	12	102,893		68,181	
Cash at bank and in hand		1,246,869		454,935	
			1,481,525		663,662
CREDITORS: amounts falling due within one year	13		(367,747)		(308,585)
NET CURRENT ASSETS			1,113,778		355,077
TOTAL ASSETS LESS CURRENT LIABILITIES			5,190,630		4,533,769
Provisions for Liabilities	14		(150,909)		(159,754)
NET ASSETS			5,039,721		4,374,015
CHARITY FUNDS					
Unrestricted funds	16		5,039,721		4,374,015
TOTAL FUNDS			5,039,721		4,374,015

The financial statements were approved and authorised for issue by the Trustees on 14 December 2017 and signed on their behalf, by:

Stuart Ferguson 

Osaro Otobo 

The notes on pages 19 to 39 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 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	9		3,517,737		3,701,330
Investments	10		559,117		477,364
			<u>4,076,854</u>		<u>4,178,694</u>
CURRENT ASSETS					
Debtors	12	184,122		315,660	
Cash at bank		1,043,723		189,019	
		<u>1,227,845</u>		<u>504,679</u>	
CREDITORS: amounts falling due within one year	13	(114,571)		(149,606)	
NET CURRENT ASSETS			<u>1,113,274</u>		<u>355,073</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,190,128</u>		<u>4,533,767</u>
Provisions for Liabilities	14		(111,368)		(117,393)
NET ASSETS			<u>5,078,760</u>		<u>4,416,374</u>
CHARITY FUNDS					
Unrestricted funds	16		5,078,760		4,416,374
TOTAL FUNDS			<u>5,078,760</u>		<u>4,416,374</u>

The financial statements were approved and authorised for issue by the Trustees on 14 December 2017 and signed on their behalf, by:

Stuart Ferguson  Osaro Otobo 

The notes on pages 19 to 39 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 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>912,018</u>	<u>198,999</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		81,753	18,355
Purchase of tangible fixed assets		(120,082)	(625,124)
Proceeds from sale of investments		-	380,725
Purchase of investments		(81,753)	(19,348)
Net cash used in investing activities		<u>(120,082)</u>	<u>(245,392)</u>
Change in cash and cash equivalents in the year		791,936	(46,393)
Cash and cash equivalents brought forward		<u>454,935</u>	<u>501,328</u>
Cash and cash equivalents carried forward		<u><u>1,246,871</u></u>	<u><u>454,935</u></u>

The notes on pages 19 to 39 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 2017

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) - Charities SORP (FRS 102)), 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 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.

The financial statements are prepared in sterling.

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 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.

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.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustee 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 Trustee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

1. ACCOUNTING POLICIES (continued)

1.4 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.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company 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.

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.

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.

1.5 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.

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.

1.6 Basis of consolidation

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

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.

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets, or collective projects costing more than £1,000 are capitalised.

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 carried at cost, net of depreciation and any provision for impairment. 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 3 - 10 years

The short leasehold property is from Hull University and there are only three years remaining on the lease. Under Section 17 of FRS 102 Property, Plant and Equipment leased assets should be depreciated over the Useful Economic Life, being the shorter of the useful life of the asset or the lease term. 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.

1.8 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 Balance sheet date, unless fair 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 shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

(i) Subsidiary undertakings

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

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Leasing 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 company. 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 Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

1. ACCOUNTING POLICIES (continued)

1.11 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.12 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.

1.13 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.

1.14 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.

1.15 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet 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 within interest payable and similar charges.

1.16 Financial Instruments

The company 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.

1.17 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 2017**

1. ACCOUNTING POLICIES (continued)

1.18 Pension

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £79,426 (2016: 44,734).

The group operates a Defined benefit 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.

1.19 Critical accounting estimates and areas of judgment

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 has entered into an agreement with the scheme that determines how 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.

1.20 Holiday accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
University of Hull subvention	1,611,789	1,611,789	1,461,790
Other grant income	12,445	12,445	9,894
	<hr/>	<hr/>	<hr/>
Total donations and legacies	1,624,234	1,624,234	1,471,684
	<hr/>	<hr/>	<hr/>
<i>Total 2016</i>	1,471,684	1,471,684	
	<hr/>	<hr/>	

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income (see below table)	373,884	373,884	478,166
<i>Total 2016</i>	478,166	478,166	

Income from charitable activities

	Governance £	Activities £	Welfare and Community £	Sports £
Membership subscriptions	-	30,218	312	111,988
Event income	-	36,824	146	46,393
Marketing	-	8,233	-	12,292
Fees	-	531	-	2,483
Other	-	15,081	506	46,920
Total	-	90,887	964	220,076

	S'borough £	Education £	Admin £	2017 £	2016 £
Membership subscriptions	285	-	175	142,977	161,210
Event income	132	-	14,464	97,959	88,151
Marketing	-	-	29,000	49,525	68,271
Fees	-	-	-	3,014	2,324
Other	-	-	17,902	80,409	158,210
Total	417	-	61,541	373,884	478,166

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Dividends from investments	18,278	18,278	21,707
Bank interest received - Hull University Union Limited	126	126	239
Bank interest received - H.U.U. Services Limited	147	147	167
	<u>18,551</u>	<u>18,551</u>	<u>22,113</u>
<i>Total 2016</i>	<u>22,113</u>	<u>22,113</u>	

5. OTHER INCOMING RESOURCES

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Other service activities	594,781	594,781	13,917
<i>Total 2016</i>	<u>13,917</u>	<u>13,917</u>	

6. CHARITABLE ACTIVITY EXPENSES

	Governance £	Activities £	Welfare and Community £	Sports £	S'borough £
Administration expenses	9	11	9	12	20
Support costs	-	525	-	47,646	-
Rent	-	-	-	-	-
Office expenses & running costs	5,815	73,603	3,900	234,078	26,458
Other	-	135	35	5,123	-
Wages and salaries	20,861	26,662	21,354	28,267	46,411
Depreciation	-	-	-	-	-
Subtotal	<u>26,685</u>	<u>100,936</u>	<u>25,298</u>	<u>315,126</u>	<u>72,889</u>
Other charitable activity expenses	1	-	-	-	-
	<u>26,686</u>	<u>100,936</u>	<u>25,298</u>	<u>315,126</u>	<u>72,889</u>
<i>At 31 July 2016</i>	<u>52,962</u>	<u>122,082</u>	<u>26,455</u>	<u>305,959</u>	<u>58,849</u>

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

6. CHARITABLE ACTIVITY EXPENSES (continued)

	Education £	Admin £	Total 2017 £	Total 2016 £
Administration expenses	9	459	529	-
Support costs	-	98,661	146,832	168,076
Rent	-	202,000	202,000	202,000
Office expenses & running costs	1,336	173,376	518,566	456,226
Other	-	1,236	6,529	33,111
Wages and salaries	19,996	1,070,796	1,234,347	1,229,412
Depreciation	-	303,680	303,680	262,235
	<u>21,341</u>	<u>1,850,208</u>	<u>2,412,483</u>	<u>2,351,060</u>
Subtotal				
Other charitable activity expenses	-	-	1	-
	<u>21,341</u>	<u>1,850,208</u>	<u>2,412,484</u>	<u>2,351,060</u>
<i>At 31 July 2016</i>	<u>27,924</u>	<u>1,756,830</u>	<u>2,351,061</u>	

The administrative costs includes auditor's remuneration of £12,150 (2016: £12,150).

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

7. TRADING ACTIVITIES - H.U.U. SERVICES LIMITED

	2017 £	2016 £
H.U.U. Services Limited - Trading		
Turnover	3,277,117	2,857,928
H.U.U. Services Limited - Trading Expenses		
Other operating income	20,258	23,840
Charity trading cost of sales	(1,719,109)	(1,336,677)
Administrative expenses	(1,578,413)	(1,545,258)
	(3,277,264)	(2,858,095)
Net profit from trading activities	(147)	(167)
 Net profit from trading activities prior to consolidation		
	2017 £	2016 £
Net income from trading activities	437,220	369,167
Rent and fees paid to parent	(322,756)	(322,757)
Gift aid to parent	(114,611)	(46,577)
Investment income	147	167
	-	-

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

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

8. STAFF COSTS AND TRUSTEE REMUNERATION

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	<u>1,234,347</u>	<u>1,229,412</u>

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

	2017 No.	2016 No.
Charitable activities	19	19
Costs of generating funds	39	39
Management and administration of the Union	22	19
	<u>80</u>	<u>77</u>

The number of higher paid employees was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1

Senior management team comprises 6 members who received remuneration during the year totalling £276,541.

Staff costs for the company are:

	2017 £	2016 £
Wages and salaries	1,240,372	1,229,412
National insurance	83,708	92,463
Pension Contribution	39,894	43,765
Total	<u>1,363,974</u>	<u>1,365,640</u>

Group staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,787,087	1,930,813
National insurance	112,006	113,569
Pension contributions	88,499	138,583
Total	<u>1,987,592</u>	<u>2,182,965</u>

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Student officers remuneration

	2017	2016
	£	£
Mr C Okide	-	16,263
Mr S Hernandez	-	17,006
Ms K Brook	-	16,317
Mr M Evans	7,053	17,236
Mr G Sanghera	-	16,317
Ms A Davies	-	16,413
Ms A Jackson	18,154	1,720
Mr M Thorneycroft	17,748	1,679
Mr G Bainbridge	17,748	1,679
Mr M Bramall	17,748	1,679
Ms O Otobo	1,809	-
J Craig	1,843	-
S Anwar	1,843	-
C O'Neill	1,809	-
J Watts	1,809	-
	<hr/>	<hr/>
Total	87,564	106,309
	<hr/> <hr/>	<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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

9. TANGIBLE FIXED ASSETS

Group	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 August 2016	3,148,553	12,032	1,151,336	4,311,921
Additions	-	-	120,086	120,086
At 31 July 2017	<u>3,148,553</u>	<u>12,032</u>	<u>1,271,422</u>	<u>4,432,007</u>
Depreciation				
At 1 August 2016	249,173	7,218	354,200	610,591
Charge for the year	135,230	2,406	166,043	303,679
At 31 July 2017	<u>384,403</u>	<u>9,624</u>	<u>520,243</u>	<u>914,270</u>
Net book value				
At 31 July 2017	<u>2,764,150</u>	<u>2,408</u>	<u>751,179</u>	<u>3,517,737</u>
At 31 July 2016	<u>2,899,380</u>	<u>4,814</u>	<u>797,136</u>	<u>3,701,330</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Group	2017 £	2016 £
Furniture, fittings and equipment	<u>-</u>	<u>8,172</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

9. TANGIBLE FIXED ASSETS (continued)

Company	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 August 2016	3,148,553	12,032	1,151,336	4,311,921
Additions	-	-	120,086	120,086
At 31 July 2017	<u>3,148,553</u>	<u>12,032</u>	<u>1,271,422</u>	<u>4,432,007</u>
Depreciation				
At 1 August 2016	249,173	7,218	354,200	610,591
Charge for the year	135,230	2,406	166,043	303,679
At 31 July 2017	<u>384,403</u>	<u>9,624</u>	<u>520,243</u>	<u>914,270</u>
Net book value				
At 31 July 2017	<u>2,764,150</u>	<u>2,408</u>	<u>751,179</u>	<u>3,517,737</u>
At 31 July 2016	<u>2,899,380</u>	<u>4,814</u>	<u>797,136</u>	<u>3,701,330</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Company	2017 £	2016 £
Furniture, fittings and equipment	-	8,172

10. FIXED ASSET INVESTMENTS

Group	Listed securities
Market value	
At 1 August 2016	477,362
Additions	81,753
At 31 July 2017	<u>559,115</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. FIXED ASSET INVESTMENTS (continued)

Group material investments

UK Equities	145,995	133,035
International Equities	79,810	60,850
UK Bonds	109,903	83,155
International Bonds	-	16,385
Multi-Asset Funds	138,157	88,078
Property	85,250	95,859
	<u>559,115</u>	<u>477,362</u>

The total gains on investments during the year was £9,613 (2016: £13,702).

Company	Listed securities	Sub total carried forward
Market value		
At 1 August 2016	477,362	477,362
Additions	81,753	81,753
At 31 July 2017	<u>559,115</u>	<u>559,115</u>
	Sub total brought forward	Shares in group undertakings
Company		Total
Market value		
At 1 August 2016	477,362	2
Additions	81,753	-
At 31 July 2017	<u>559,115</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 2017 and 2016 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 2017 and 2016 amounted to £nil, see note 8.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

11. STOCKS

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Goods for resale	131,763	140,546	-	-

12. DEBTORS

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	52,919	41,921	48,541	26,122
Amounts owed by group undertakings	-	-	-	270,329
Other debtors	3,551	4,034	117,700	-
Prepayments and accrued income	46,423	22,226	17,881	19,209
	102,893	68,181	184,122	315,660

13. CREDITORS: Amounts falling due within one year

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	3,944	7,324	3,944	7,324
Trade creditors	173,325	158,881	33,239	42,046
Other taxation and social security	38,465	43,036	1,670	13,583
Other creditors	12,829	16,752	9,215	15,556
Accruals and deferred income	139,184	82,592	66,503	71,097
	367,747	308,585	114,571	149,606

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

14. PROVISIONS

	Pension liability provision £
Group	
At 1 August 2016	159,754
Amounts used	(8,845)
	150,909
At 31 July 2017	150,909
	Pension liability provision £
Company	
At 1 August 2016	117,393
Amounts used	(6,025)
	111,368
At 31 July 2017	111,368

15. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been included in the financial statements for the deficit contribution in respect of Universities Superannuation Scheme. The result on the financial position has been a decrease in opening reserves by £111,368 (2016: £117,393), an increase in the provision for liabilities of £111,368 (£117,393), and a reduction in pension costs in the year of £6,025 (2016: increase £117,393).

As a result of the above provision this has reduced the gift aid received from the subsidiary of £2,820 (£42,360).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 August 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2017 £
Unrestricted funds					
General Funds - all funds	4,374,015	5,908,825	(5,272,437)	29,318	5,039,721

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 August 2015</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 July 2016</i> £
Unrestricted funds					
General Funds - all funds	4,360,413	4,867,649	(4,863,660)	9,613	4,374,015
	<u>4,360,413</u>	<u>4,867,649</u>	<u>(4,863,660)</u>	<u>9,613</u>	<u>4,374,015</u>
Total of funds	<u>4,360,413</u>	<u>4,867,649</u>	<u>(4,863,660)</u>	<u>9,613</u>	<u>4,374,015</u>

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 August 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 July 2017 £
General funds	4,374,015	5,908,825	(5,272,437)	29,318	5,039,721

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 August 2015</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 July 2016</i> £
General funds	4,360,413	4,867,649	(4,863,660)	9,613	4,374,015

HULL UNIVERSITY UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	3,517,736	3,517,736
Fixed asset investments	559,115	559,115
Current assets	1,481,526	1,481,526
Creditors due within one year	(367,747)	(367,747)
Provisions for liabilities and charges	(150,909)	(150,909)
	<u>5,039,721</u>	<u>5,039,721</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted</i> <i>funds</i> 2016 £	<i>Total</i> <i>funds</i> 2016 £
Tangible fixed assets	3,701,330	3,701,330
Fixed asset investments	477,362	477,362
Current assets	663,662	663,662
Creditors due within one year	(350,946)	(350,946)
Provisions for liabilities and charges	(117,393)	(117,393)
	<u>4,374,015</u>	<u>4,374,015</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<u>2017</u> £	<u>Group</u> 2016 £
Net income for the year (as per Statement of Financial Activities)	665,706	13,602
Adjustment for:		
Depreciation charges	303,679	262,234
Dividends, interest and rents from investments	(81,753)	(18,355)
Movement in pension liability	(8,845)	-
Decrease/(increase) in stocks	8,783	(30,822)
Increase in debtors	(34,714)	(14,130)
Decrease in creditors	59,162	(13,530)
Net cash provided by operating activities	<u>912,018</u>	<u>198,999</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	Group 2016
	£	£
Cash in hand	1,246,871	454,935
Total	1,246,871	454,935

20. PENSION COMMITMENTS

The latest available full actuarial valuation of the scheme was at 31 March 2014 (the valuation date), which was carried out using the projected unit method. The valuation as at 31st March 2017 is underway.

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 2014 valuation was the third 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 £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

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

	2017	2016
Discount rate	2.57%	3.6%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.41%	2.2%

The main demographic assumption used related to the morality assumptions. Morality in retirement is assumed to be in line with the Continuous Mortality Investigations (CMI) SI NA tables as follows:

Males members mortality	98% of S1NA ["light"] YoB tables - No age rating
Female members mortality	99% of S1NA ["light"] YoB tables - rated down 1 year

	2017	2016
Males currently aged 65 (years)	24.4	24.3
Females currently aged 65 (years)	26.6	26.5
Males currently aged 45 (years)	26.5	26.4
Females currently aged 45 (years)	29.0	28.8

	2017	2016
Scheme assets	£60.0bn	£49.8bn
Total scheme liabilities	£77.5bn	£58.3bn
FRS 102 total scheme deficit	£17.5bn	£8.5bn
FRS 102 total funding level	77%	85%

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21. OPERATING LEASE COMMITMENTS

At 31 July 2017 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2017	2016
	£	£
Amounts payable:		
Within 1 year	232,178	215,981
Between 1 and 5 years	335,770	487,565
Total	567,948	703,546

At 31 July 2017 the company had annual commitments under non-cancellable operating leases as follows:

Company		
Amounts payable:		
Within 1 year	202,000	202,000
Between 1 and 5 years	269,333	471,333
Total	471,333	673,333

22. 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 was £322,756 (2016: £322,757)
Gift aid paid to HUU was £114,611 (2016: £46,578)

At the year end the amount payable to HUU was £38,882 (2016: £270,239) and is included within other debtors (note 14).

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 £1,611,789 (2016: £1,461,790)

Expenses:
Rent £202,000 (2016: £202,000)

At the year end the amount payable to the University of Hull was £366 (2016: £Nil).

23. PRINCIPAL SUBSIDIARIES

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NOTES TO THE FINANCIAL STATEMENTS
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23. PRINCIPAL SUBSIDIARIES (continued)

H.U.U. Services Limited

Subsidiary name	H.U.U. Services Limited
Basis of control	
Equity shareholding %	100%
Total assets as at 31 July 2017	£ 368,291
Total liabilities as at 31 July 2017	£ (364,967)
Total equity as at 31 July 2017	£ 3,324
Turnover for the year ended 31 July 2017	£ 3,297,375
Expenditure for the year ended 31 July 2017	£ (3,297,522)
Loss for the year ended 31 July 2017	£ (147)

