

Company Registration Number 08475916
Charity number: 1152549

HULL UNIVERSITY UNION LIMITED

FINANCIAL STATEMENTS

31 JULY 2018

(A company limited by guarantee)

ArmstrongWatson®

Accountants, Business & Financial Advisers

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

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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 2018**

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, 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

HULL UNIVERSITY UNION LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEE AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2018

Advisers (continued)

Solicitors

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

HULL UNIVERSITY UNION LIMITED
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TRUSTEE'S REPORT
FOR THE YEAR ENDED 31 JULY 2018

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 2018. 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 Presidents and Trustees

President	Osaro Otobo (to 29.06.18)	Osaro Otobo (from 29.06.18)
President Activities	John Craig (to 25.09.17)	Thomas McNamara (from 29.06.18)
President Education	Salman Anwar (to 29.06.18)	Isobel Hall (from 29.06.18)
President Sport	Caitlin O'Neil (to 18.01.18)	Nicholas Wright (from 29.06.18)
President Welfare and Community	Jennifer Watts (to 29.06.18)	Andrew Costigan (from 29.06.18)

Student Trustees

Rebekah Greaves
Andrew Paluszkiwicz (to 18.07.18)
Kathryn Sharman
Madeline Holden
Conner Massey (from 18.07.18)

External Trustees

Stuart Ferguson (Chair)
Simon Clements (to 14.12.17)
Robin Gilchrist (to 07.03.18)
Gaius Powell
Alan Bolchover (from 08.03.18)

HUU employs a Chief Executive, who works closely with the Student Presidents and Trustee Board to ensure effective governance and management of the organisation. Jackie Berry left her role as Chief Executive 2nd May 2018 and Jane Stafford was appointed from 1st August 2018. The Chief Executive's direct reports include 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 2018 which includes the administrative information set out on page 3, together with the audited accounts for the year.

HULL UNIVERSITY UNION LIMITED
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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2018

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 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 8475916, charity number 1152549). On 1 August 2013 the charitable company took over the activities and operations of a connected unincorporated charity called Hull University Union. The primary aim of HUU 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, food outlets, entertainment, HUU Homes and the retail shops of HUU. The subsidiary has the same year-end of 31 July 2018.

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 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 President Trustees are new to the Board each year and they all undergo a formal, more intensive 12 months training programme. The new Presidents attend residential training in late June and have a planned handover from the outgoing team.

HULL UNIVERSITY UNION LIMITED
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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2018

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.

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 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 By-laws and standing orders.

The Senior Management Team

The Chief Executive is supported by two Directors and three 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.

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 By-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 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 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.

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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2018

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. 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. The University continued to provide additional grant to HUU and this formally ends in 2018/19. There will be a renegotiation of how we are funded by the University and a new funding model in place for 2019/20. We continued to monitor and develop our approach to health and safety and have conducted a complete review of our risk assessments and policy. A new Health and Safety Policy and Arrangements document will be introduced in 2018/19.

The 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 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.

Achievements and Performance

In 2017/18 we worked with our members and stakeholders to develop a new vision statement. Our vision is:

"We will empower you to make your time at university count we are here for you during your time in Hull, building a student community, supporting you to stand up for what you believe in and ensuring you step into the future as your best you."

2017/18 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.

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 3.82% to 57.01%, placing us above the sector average. The question on the overall service of HUU had an increase of 3.85% to 66.75%.

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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2018

HUU has an agreement with Alterline, a specialist market research agency, on a new approach to gathering student feedback. With key findings including:

- Overall satisfaction with the students' union was 63%
- The top three words used to describe HUU being Helpful, Friendly, and Fun.
- Only 30% of students believed that they can influence decisions in HUU.

Area of Focus	Achievement
Work with the University on the re-development of Student Central.	A commitment from the University to invest £4.5million in the redevelopment of Student Central.
Improve student perception of HUU's work to support students' academic interests.	National Student Survey question related to academic interest increased 3.82% to 57.01%.
Launch HUU's new vision and develop its brand identity.	Vision launched and participatory brand development workshops held with staff and students. Internal brand ambassadors recruited and trained.
Providing a wide variety of services that appeal to different student groups	Sanctuary bar refurbishment, improved access to the SPAR shop and a non-alcohol ice-cream parlour.
Ensuring we are financially sustainable.	Managed cash flow and investments to a healthy level to maintain our liquidity.

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"> • Completed our preparation to comply with the GDPR. • Supported the University plans for investment in Student Central. • Reviewed governance practices to bring them into line with the new Charity Governance Code
HUU Communications: <ul style="list-style-type: none"> • Members • External stakeholders • HUU people 	<ul style="list-style-type: none"> • Rebrand completed and rolled out both online and within our spaces. • New website launched • WelcomeFest year four delivered welcoming new and returning students to the University of Hull.
HUU People: <ul style="list-style-type: none"> • Culture • Recruitment • Development • Staff Engagement 	<ul style="list-style-type: none"> • Annual staff day with the highest staff attendance to date. • Simplified recruitment processes through the Application Tracking System on PeopleHR. • Upskilled managers with ACAS people management training. • Greater structure of performance reviews and 1-2-1 meetings. • Improved communication methods with our people. • Improved our reward and recognition around soft benefits. • Improved training & development opportunities. • Improved our overall employee engagement levels by 1.6% compared to the previous year.

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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2018

Help Me	<ul style="list-style-type: none"> • Advice Centre team provided advice and support to 1824 student clients. • 64% of Student Life Pulse respondents agree that they would turn to HUU for advice and support. • 547 HullSTARS student property reviews were collected. • 274 student properties (1791 bed spaces) were audited against the agreed HullSTARS criteria. • HUU Homes helped 344 students access quality accommodation.
My World	<ul style="list-style-type: none"> • HUU delivered its 4th 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 community action litter pick events in the local area. • RAG committee raised over £72,000 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	<ul style="list-style-type: none"> • 32% of students understood that we are a social enterprise • The Sanctuary bar refurbishment allowing for a further 50 seated covers. • The Johnny Mac bar converted to into an ice cream bar, an alcohol free and environmentally conscious outlet. • A small refurbishment of the SPAR shop improving wheelchair access and chiller space.
My Voice	<ul style="list-style-type: none"> • Elected and engaged with over 450 academic representatives, launching a new 'impact reporting' approach to showcase their work. • Maintained a 14.8% election turnout in the spring elections. • Received 270 student ideas through the Your Ideas scheme
My Development	<ul style="list-style-type: none"> • 2,880 students joined HUU societies • 1,896 students joined HUU sports • 188 staff were students employed at HUU with £277k wages paid. • 190 student nominations were received for outstanding student volunteers at the 2018 HUU Awards.

HULL UNIVERSITY UNION LIMITED
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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2018

FINANCIAL REVIEW

Summary of the Year

It has been a challenging year and HUU made a deficit of £85k compared to a surplus of £665k in 2017. Total income for the year was £5.32m compared to £5.91m in 2017. 2017 was an unusual year due to the recovery of £582k of funds from the fraud discovered in September 2015. The additional subvention of £300k from the University continued this year and will continue into 2018/19. Sales in the trading company were in line with 2017 at £3.3m. Sales in the shop increased by £108k on 2017. Drinks sales in the student bar and nightclub venues saw a small increase of £19k. Catering and coffee sales decreased by £84k. This was due to HUU providing increased catering in the previous year when the main catering outlet run by the University (Staff House) was closed for refurbishment. 2211 students attended the end of year ball which was a significant decrease on last year. This impacted on ticket and bar sales but we managed the costs of the event to ensure it broke even. Ticket sales for our events dropped by £27k on last year overall. It is pleasing that we have maintained overall sales at a similar level to 2017 but there has been continued cost increases that we tried to manage to continue to provide good value to students who use our services. This will continue to be a challenge for HUU in the next few years.

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 2018. The reserves position at 31st July 2018 is £4.95m of which £3.35m is allocated to tangible fixed assets leaving £1.6m 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. In addition to this our future plans include working with the University to plan the redevelopment of the ground and first floor to Student Central, and a full review of our corporate governance structures.

HULL UNIVERSITY UNION LIMITED
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TRUSTEE'S REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2018

Directors/Trustees Statement

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

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

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

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

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

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

This report, incorporating the Group strategic report, was approved by the Trustees, in their capacity as company directors, on 13 December 2018 and signed on their behalf by:

Stuart Ferguson
Chair



Osaro Otobo
President/Deputy Chair



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 2018 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 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 2018 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 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
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HULL UNIVERSITY UNION LIMITED

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The Trustee is 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 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 Trustee's report including the Group strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustee's report and the Group strategic report 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 Trustee's report including the Group strategic report.

We have nothing to report in respect of the following matters in relation to which the 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 Trustee's 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 Trustee's responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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
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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. This description forms part of our Auditor's 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 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.

Armstrong Watson Audit Limited

Joanna Gray FCCA ACA DChA (Senior statutory auditor)

for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants

Leeds

19 December 2018

HULL UNIVERSITY UNION LIMITED
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2018**

	Note	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:				
Donations and legacies	2	1,624,910	1,624,910	1,624,234
Charitable activities	3	356,536	356,536	373,884
Other trading activities	8	3,275,099	3,275,099	3,297,375
Investments	4	33,334	33,334	18,551
Other income	5	28,561	28,561	594,781
TOTAL INCOME		5,318,440	5,318,440	5,908,825
EXPENDITURE ON:				
Raising funds	8	2,924,277	2,924,277	2,859,952
Charitable activities	6	2,498,337	2,498,337	2,412,485
TOTAL EXPENDITURE		5,422,614	5,422,614	5,272,437
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS				
Net gains on investments	11	(104,174) 19,145	(104,174) 19,145	636,388 29,318
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(85,029)	(85,029)	665,706
NET MOVEMENT IN FUNDS		(85,029)	(85,029)	665,706
RECONCILIATION OF FUNDS:				
Total funds brought forward		5,039,720	5,039,720	4,374,014
TOTAL FUNDS CARRIED FORWARD		4,954,691	4,954,691	5,039,720

The notes on pages 18 to 37 form part of these financial statements.

HULL UNIVERSITY UNION LIMITED
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REGISTERED NUMBER: 08475916

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	10		3,352,587		3,517,736
Investments	11		1,145,254		559,115
			<u>4,497,841</u>		<u>4,076,851</u>
CURRENT ASSETS					
Stocks	12	91,207		131,763	
Debtors	13	43,331		102,892	
Cash at bank and in hand		779,941		1,246,869	
		<u>914,479</u>		<u>1,481,524</u>	
CREDITORS: amounts falling due within one year	14	(320,637)		(367,747)	
NET CURRENT ASSETS			<u>593,842</u>		<u>1,113,777</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,091,683</u>		<u>5,190,628</u>
 Provisions for Liabilities	15		<u>(136,992)</u>		<u>(150,908)</u>
NET ASSETS			<u>4,954,691</u>		<u>5,039,720</u>
CHARITY FUNDS					
Unrestricted funds	16		<u>4,954,691</u>		<u>5,039,720</u>
TOTAL FUNDS			<u>4,954,691</u>		<u>5,039,720</u>

The financial statements were approved and authorised for issue by the Trustees on 13 December 2018 and signed on their behalf, by:



Stuart Ferguson



Osaro Otobo

The notes on pages 18 to 37 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 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	10		3,352,587		3,517,736
Investments	11		1,145,256		559,117
			<u>4,497,843</u>		<u>4,076,853</u>
CURRENT ASSETS					
Debtors	13	135,309		184,123	
Cash at bank		<u>567,916</u>		<u>1,043,723</u>	
		703,225		1,227,846	
CREDITORS: amounts falling due within one year	14	(137,147)		(114,571)	
NET CURRENT ASSETS			<u>566,078</u>		<u>1,113,275</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,063,921</u>		<u>5,190,128</u>
 Provisions for Liabilities	15		<u>(108,136)</u>		<u>(111,368)</u>
NET ASSETS			<u>4,955,785</u>		<u>5,078,760</u>
CHARITY FUNDS					
Unrestricted funds	16		<u>4,955,785</u>		<u>5,078,760</u>
TOTAL FUNDS			<u>4,955,785</u>		<u>5,078,760</u>

The financial statements were approved and authorised for issue by the Trustees on 13 December 2018 and signed on their behalf, by:



Stuart Ferguson



Osaro Otobo

The notes on pages 18 to 37 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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	<u>(311,587)</u>	<u>912,018</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		586,136	81,753
Purchase of tangible fixed assets		(155,342)	(120,082)
Purchase of investments		<u>(586,137)</u>	<u>(81,753)</u>
Net cash used in investing activities		<u>(155,343)</u>	<u>(120,082)</u>
Change in cash and cash equivalents in the year		<u>(466,930)</u>	791,936
Cash and cash equivalents brought forward		<u>1,246,871</u>	<u>454,935</u>
Cash and cash equivalents carried forward		<u><u>779,941</u></u>	<u><u>1,246,871</u></u>

The notes on pages 18 to 37 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 2018

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.

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 2018

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 recognised when receivable.

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

1.6 Going concern

The accounts have been prepared on the going concern basis, notwithstanding the net deficit £85,029 for the year ended 31st July 2018. The trustees are aware of this deficit, and are taking sufficient steps to ensure operations can continue. The charity has net assets of £4,968,357 at the statement of financial position date 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 2018

1. ACCOUNTING POLICIES (continued)

1.7 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 section 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 2018

1. ACCOUNTING POLICIES (continued)

1.8 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 from the date of lease commencement. At the date of incorporation, the charity recognised the asset at its net book value, at which time 19 years of useful economic life had already passed. As such the asset is being depreciated over a remaining years within the financial statements of HUU.

1.9 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.

1.10 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.

1.11 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 2018

1. ACCOUNTING POLICIES (continued)

1.12 Operating leases

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

1.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable 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 or loss.

1.14 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.

1.15 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.

1.16 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.

1.17 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.

1.18 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 2018**

1. ACCOUNTING POLICIES (continued)

1.19 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 £98,790 (2017: 79,426).

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.

1.20 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.

1.21 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 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 as a provision (see note 15.)

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
University of Hull subvention	1,611,790	1,611,790	1,611,789
Other grant income	13,120	13,120	12,445
	<hr/>	<hr/>	<hr/>
Total donations and legacies	1,624,910	1,624,910	1,624,234
	<hr/>	<hr/>	<hr/>
Total 2017	1,624,234	1,624,234	
	<hr/>	<hr/>	

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Trading activities	356,536	356,536	373,884
<i>Total 2017</i>	373,884	373,884	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Dividends from investments	33,049	33,049	18,278
Bank interest received - Hull University Union Limited	217	217	126
Bank interest received - H.U.U. Services Limited	68	68	147
	33,334	33,334	18,551
<i>Total 2017</i>	18,551	18,551	

5. OTHER INCOMING RESOURCES

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Other service activities	28,561	28,561	594,781
<i>Total 2017</i>	594,781	594,781	

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

6. CHARITABLE ACTIVITY EXPENSES

	Governance £	Activities £	Welfare and Community £	Sports £	S'borough £
Administration expenses	4,414	-	-	-	-
Support costs	-	1,452	-	41,221	-
Rent	-	-	-	-	-
Office expenses & running costs	632	97,612	3,378	212,513	-
Other	-	39	-	5,884	-
Rent	-	-	-	-	-
Wages and salaries	21,190	11,719	22,687	24,629	-
Depreciation	-	-	-	-	-
Subtotal	26,236	110,822	26,065	284,247	-
Other charitable activity expenses	(1)	-	-	-	-
	26,235	110,822	26,065	284,247	-
Total 2017	26,686	100,936	25,298	315,126	72,889

	Education £	Admin £	Total 2018 £	Total 2017 £
Administration expenses	-	-	4,414	529
Support costs	-	63,014	105,687	146,832
Rent	-	202,000	202,000	202,000
Office expenses & running costs	-	240,641	554,776	518,566
Other	-	24	5,947	6,529
Business rates	-	65,095	65,095	-
Wages and salaries	21,401	1,125,428	1,227,054	1,234,347
Depreciation	-	320,490	320,490	303,681
Subtotal	21,401	2,016,692	2,485,463	2,412,484
Other charitable activity expenses	-	-	(1)	-
	21,401	2,016,692	2,485,462	2,412,484
Total 2017	21,341	1,850,208	2,412,484	

The administrative costs includes auditor's remuneration of £12,875 (2017: £12,150).

HULL UNIVERSITY UNION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

7. GOVERNANCE COSTS

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Governance Auditors' remuneration	12,875	12,875	-

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

	2018 £	2017 £
H.U.U. Services Limited - Trading		
Turnover	3,275,099	3,277,117
H.U.U. Services Limited - Trading Expenses		
Other operating income	12,097	20,405
Charity trading cost of sales	(1,791,060)	(1,719,109)
Administrative expenses	(1,455,974)	(1,463,802)
Donation to parent	-	(114,611)
	(3,234,937)	(3,277,117)
Net profit from trading activities	40,162	-

Net profit from trading activities prior to consolidation

	2018 £	2017 £
Net income from trading activities	362,851	437,749
Rent and fees paid to parent	(322,757)	(323,285)
Gifted to parent	-	(114,611)
Investment income	68	147
Net profit prior to consolidation	40,162	-

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 2018**

9. STAFF COSTS AND TRUSTEE REMUNERATION

	2018 £	2017 £
Charity cost of employment (including recruitment and training)	1,227,054	1,234,347

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

	2018 No.	2017 No.
Charitable activities	18	19
Costs of generating funds	36	39
Management and administration of the Union	23	22
	77	80

The number of higher paid employees was:

	2018 No.	2017 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:

	2018 £	2017 £
Wages and salaries	986,014	1,020,361
National insurance	80,204	80,953
Pension Contribution	77,160	79,426
Total	1,143,378	1,180,740

Group staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,720,073	1,778,076
National insurance	114,882	115,223
Pension contributions	98,790	119,320
Total	1,933,745	2,012,619

HULL UNIVERSITY UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

Student officers remuneration

	2018	2017
	£	£
Mr M Evans	-	7,053
Ms A Jackson	-	18,154
Mr M Thorneycroft	-	17,748
Mr G Bainbridge	-	17,748
Mr M Bramall	-	17,748
Ms O Otobo (President)	18,408	1,809
J Craig	3,707	1,843
S Anwar	17,208	1,843
C O'Neill	9,211	1,809
J Watts	17,287	1,809
T McNamara	1,960	-
I Hall	1,960	-
N Wright	1,960	-
A Costigan	1,960	-
	<hr/>	<hr/>
Total	73,659	87,564
	<hr/>	<hr/>

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

HULL UNIVERSITY UNION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

10. TANGIBLE FIXED ASSETS

Group	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 August 2017	3,148,553	12,032	1,271,422	4,432,007
Additions	-	-	155,340	155,340
At 31 July 2018	3,148,553	12,032	1,426,762	4,587,347
Depreciation				
At 1 August 2017	383,876	9,626	520,769	914,271
Charge for the year	134,973	2,406	183,110	320,489
At 31 July 2018	518,849	12,032	703,879	1,234,760
Net book value				
At 31 July 2018	2,629,704	-	722,883	3,352,587
At 31 July 2017	2,764,677	2,406	750,653	3,517,736
Company				
Cost				
At 1 August 2017	3,148,553	12,032	1,271,422	4,432,007
Additions	-	-	155,340	155,340
At 31 July 2018	3,148,553	12,032	1,426,762	4,587,347
Depreciation				
At 1 August 2017	383,876	9,626	520,769	914,271
Charge for the year	134,973	2,406	183,110	320,489
At 31 July 2018	518,849	12,032	703,879	1,234,760
Net book value				
At 31 July 2018	2,629,704	-	722,883	3,352,587
At 31 July 2017	2,764,677	2,406	750,653	3,517,736

HULL UNIVERSITY UNION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

11. FIXED ASSET INVESTMENTS

		Listed securities
Group		
Market value		
At 1 August 2017		559,115
Additions		575,435
Movement in market value		10,704
At 31 July 2018		<u>1,145,254</u>
Group material investments		
UK Equities	279,618	145,995
International Equities	208,665	79,810
UK Bonds	222,529	109,903
Multi-Asset Funds	228,935	138,157
Alternatives	205,507	85,250
	<u>1,145,254</u>	<u>559,115</u>

The total gains on investments during the year was £19,145 (2017: £29,318).

	Listed securities	Sub total carried forward
Company		
Market value		
At 1 August 2017	559,115	559,115
Additions	575,435	575,435
Movement in market value	10,704	10,704
At 31 July 2018	<u>1,145,254</u>	<u>1,145,254</u>
	Sub total brought forward	Shares in group undertakings
Company		Total
Market value		
At 1 August 2017	559,115	2
Additions	575,435	-
Foreign exchange movement	10,704	-
At 31 July 2018	<u>1,145,254</u>	<u>2</u>

HULL UNIVERSITY UNION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

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 2018 and 2017 amounted to £2. H.U.U. Services Limited distributes all profits to Hull University Union Limited under Gift Aid arrangements this totalled 35,750 (2017: £114,611). Consequently its retained profit for the year end 31 July 2018 and 2017 amounted to £nil, see note 7.

12. STOCKS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Goods for resale	91,207	131,763	-	-

Stock recognised in cost of sales during the year as an expense was £1,653,808 (2017: £1,250,860).

13. DEBTORS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	19,745	52,918	79,340	48,542
Other debtors	4,816	3,551	43,840	117,700
Prepayments and accrued income	18,770	46,423	12,129	17,881
	43,331	102,892	135,309	184,123

14. CREDITORS: Amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	563	3,944	563	3,944
Trade creditors	107,866	173,325	58,744	33,239
Other taxation and social security	40,822	38,465	1,670	1,670
Other creditors	7,033	12,829	15,609	9,215
Accruals and deferred income	164,353	139,184	60,561	66,503
	320,637	367,747	137,147	114,571

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

HULL UNIVERSITY UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

15. PROVISIONS

	Pension liability provision £
Group	
At 1 August 2017	150,908
Amounts used	(13,916)
At 31 July 2018	136,992

	Pension liability provision £
Company	
At 1 August 2017	111,368
Amounts used	(3,232)
At 31 July 2018	108,136

HULL UNIVERSITY UNION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT 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

STATEMENT OF FUNDS - PRIOR YEAR

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

SUMMARY OF FUNDS - CURRENT 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

SUMMARY OF FUNDS - PRIOR 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

HULL UNIVERSITY UNION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	3,352,586	3,352,586
Fixed asset investments	1,145,254	1,145,254
Current assets	914,481	914,481
Creditors due within one year	(320,638)	(320,638)
Provisions for liabilities and charges	(136,992)	(136,992)
	<u>4,954,691</u>	<u>4,954,691</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR 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	1,481,525
Creditors due within one year	(367,747)	(367,747)
Provisions for liabilities and charges	(150,909)	(150,909)
	<u>5,039,721</u>	<u>5,039,720</u>

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

	2018 £	Group 2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(85,029)	665,706
Adjustment for:		
Depreciation charges	320,489	303,679
Dividends, interest and rents from investments	(586,137)	(81,753)
Movement in pension liability	(13,916)	(8,845)
Decrease in stocks	40,556	8,783
Decrease/(increase) in debtors	59,560	(34,714)
Decrease in creditors	(47,110)	59,162
Net cash (used in)/provided by operating activities	<u>(311,587)</u>	<u>912,018</u>

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FOR THE YEAR ENDED 31 JULY 2018**

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	Group 2017
	£	£
Cash in hand	779,941	1,246,871
Total	779,941	1,246,871

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.

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

	2018	2017
Discount rate	2.64%	2.57%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.02%	2.41%

The main demographic assumption used related to the morality assumptions. These assumptions have been updated for the 31 March 2018 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 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:

2018: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
2017: 98% of SAPS S1NA "light" YOB unadjusted for males.

Post retirement:

2018: 96.5% of SAPS S1 NMA "light" for males and 101.3% of RFV00 for females.
2017: 99% of SAPS S1NA "light" YOB with a 1 year adjustment for females.

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FOR THE YEAR ENDED 31 JULY 2018**

20. PENSION COMMITMENTS (continued)

Future improvements to mortality

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.

2017: CMI_2014 with a long term rate of 1.5% pa.

	2018	2017
Males currently aged 65 (years)	24.5	24.4
Females currently aged 65 (years)	26.0	26.6
Males currently aged 45 (years)	26.5	26.5
Females currently aged 45 (years)	27.8	29.0
	2018	2017
Scheme assets	£63.6bn	£60.0bn
Total scheme liabilities	£72.0bn	£77.5bn
FRS 102 total scheme deficit	£8.4bn	£17.5bn
FRS 102 total funding level	88%	77%

21. OPERATING LEASE COMMITMENTS

At 31 July 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2018	2017
	£	£
Amounts payable:		
Within 1 year	250,712	224,205
Between 1 and 5 years	378,174	535,812
Total	628,886	567,948

At 31 July 2018 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	471,333

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22. RELATED PARTY TRANSACTIONS

Hull University Union Limited (HUU) owns 100% of the ordinary share capital in H.U.U. Services Limited, they have taken advantage of the exemption, under terms of the Financial Reporting Standard 102 Related Party, not to disclose transactions with Ward Bros Group (North East) Limited who wholly owns the company and other fellow subsidiary companies.

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 (2017: £1,611,789)

Expenses:

Rent £202,000 (2017: £202,000)

At the year end the amount payable to the University of Hull was £634 (2017: £366).

23. 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 2018	£ 325,988
Total liabilities as at 31 July 2018	£ 325,986
Total equity as at 31 July 2018	£ 2
Turnover for the year ended 31 July 2018	£ 3,287,196
Expenditure for the year ended 31 July 2018	£ 3,247,034
Profit for the year ended 31 July 2018	£ 40,162

