
UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2018**

Trustees

Officer Trustees

Shelby Loasby (resigned 27 April 2018)
Sarah Kwedi (resigned 18 May 2018)
Rosanna Vega (resigned 31 May 2018)
Adil ur Rehman (resigned 9 May 2018)
Mansoor Hakimyar (resigned 31 May 2018)
Zainab Hakim, Chair (appointed 1 June 2018)
MD Anisuzz Aman (appointed 1 June 2018)
Amal Jolly (appointed 1 June 2018)

External Trustees

Keith Whiteford (resigned 16 September 2017)
Simon Petar
David Ball (appointed 1 September 2017)
Stephen Isaacs (appointed 1 October 2017)
Sarah Fuell (appointed 14 February 2018)

Student Trustees

Bethel Haimanot (resigned 30 June 2018)
Ahmad Ali Alshemari (resigned 30 June 2018)
Ugonna Nwachuku-Rowell (resigned 30 June 2018)
Light Okoh-Peter (appointed 1 July 2018)
Safwaan Choudhury (appointed 1 July 2018)
MD Rifat Ujjaman (appointed 1 July 2018)

Company registered number

07703890

Charity registered number

1143101

Registered office

College Lane, Hatfield, Hertfordshire, AL109AB

Independent auditor

Hillier Hopkins LLP, Radius House, 51 Clarendon Road, Watford, Herts, WD17 1HP

Bankers

Santander Bank plc, Brindle Road, Bootle, Merseyside, L30 4GB

Solicitors

TLT Solicitors LLP, One Redcliff Street, Bristol, BS1 6TP

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2018

The Trustees present their annual report together with the audited financial statements of the University of Hertfordshire Students' Union for the year 1 August 2017 to 31 July 2018. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1 (effective 1 January 2015).

Strategic Report

Overview

The 2017-18 financial year was a varied period for the University of Hertfordshire Students' Union (the Union). Whilst there was an increase in the Union's block grant from the University to a total of £1,120,000, there was a marked reduction in income within the Union's trading activities as a result of the continued decline in Licensed Trade in particular. In an effort to redress the balance from a commercial decline and refocus the efforts of the Union on its core purpose of representing and providing social activities for students, the Union made a decision to close its Lettings agency and reduce the size of its commercial and administrative operation. This led to a total of seven redundancies across the Union, UHSU Enterprises Ltd and UHSU Solutions Ltd.

In terms of meeting its key objectives, the Union recorded more engagement with 17,000 students and gained a score of 63% on Question 26 of the National Student Survey. This is against a sector-wide average of 56.47%, so puts the Union firmly in the top quartile of all HE Unions.

The Union represented students well in 2017-18, actively seeking out the views of students and promoting issues that are of importance to them, through the many University Committees its representatives attend, but also through a proactive range of high quality change campaigns. Further to this, the Union worked with a number of other Unions on an Office for Students (OfS) sponsored survey regarding students' perceptions value for money their university degrees demonstrate. The Union gathered just under 1,000 responses to this survey and the feedback gathered allowed the Union's elected officers to lobby for greater transparency in how the University demonstrates value for money to its students.

Achievements and performance

The Union has had numerous achievements this year in line with its strategy:

We put students first

Recorded engagement with students increased during the year, although this still remains underreported in some areas. The number of society members at the year-end was nearly 3000. In addition to the societies, there were 30 sports clubs with over 1300 members, run in partnership with the University through the Athletic Union.

The Union continued with Herts Hall League during the year organising numerous events including weekly sports activities and engaging with over 8,000 individual students living in non-alcohol related activity.

The Union's entertainment programme for students continued to develop, attracting thousands of students to our weekly events as well as hosting special celebration events such as the Summer Ball, entertaining more than 2,800 students until the early hours. Over the year there were almost 100,000 tickets purchased for student events in the Forum.

Representation is our number one priority

During 2017-18 year our Advice and Support Centre saw a significant increase in numbers of students seen over the course of the year, seeing over 1,000 individual students. The vast majority of this casework was linked to academic related matters, with a smaller percentage related to accommodation issues as well as significant numbers with financial difficulties and a whole range of other enquiries. Our team of professional advisers helped many students remain at the University through their dedicated commitment and proactive approach.

The Union continues to play a very active role in supporting student representation throughout the University. In

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

In addition to supporting nearly 600 student reps, the Union plays a key role in supporting the team of School Community Organisers, providing a training programme in partnership with the University as well as providing day to day support. The Union organised numerous Student Rep training programmes during the year and also supported newly elected Part-time school based officers for the first time ever.

Elected Representatives continued to play an active role in representing the views of students through attendance at the many University Committees, providing valuable insight to help make informed decisions.

Fundraising activities, including the annual 48-hour pub event in the Union's EleHouse pub, raising £3758. Fundraising was independent of support from any commercial or professional fundraiser and no complaints have been received relating to fundraising activities.

We will communicate transparently

Communication is key to our success and we have been fortunate to develop a comprehensive database of our members, thanks to the support of the University of Hertfordshire. This has enabled us to understand our members better, communicate with them even more effectively and monitor student engagement with our services in a coherent way. In time, this will help us to target less represented groups of students and tailor our services to meet their diverse needs even better.

We will employ great people who are passionate about improving students' lives

The Union has a committed and hardworking team of staff who work tirelessly to support students at the University. We have continued to develop the staff teams and always aim to give them valuable experience and opportunities for personal and professional development. In addition, we have established a student staff representative committee and invested more in the training of our student staff. We employed approximately 43 permanent staff and gave up to 220 students opportunities to work for us during the year, paying them wages amounting to £481,000.

We have developed new student staff roles that provide even more fulfilling opportunities to gain work experience and contribute towards making the Union ever more reflective of our student population. We are fortunate to have exceptional facilities which add towards creating a great environment in which our staff work and our students to use in pursuit of their chosen activities.

UHSU Solutions Ltd

As a result of more on-campus accommodation and a tougher regulatory environment, it was recognised by the Union's trustees that the Union's student housing business was in decline. During the year we let and managed more than 40 houses to over 200 students, down from over 60 houses and nearly 400 students in previous years. To address this decline and to mitigate any future financial risk, the Union's trustees voted to wind down the student housing business at the end of August 2018, resulting in 3 redundancies.

UHSU Enterprises Ltd

During the year, the Union further developed our retail outlets to include offering additional University branded clothing, stationery and bakery items. We also focused on cost control and providing good value for money products.

Our Entertainments programme once again saw some exceptional acts performing at the Forum Hertfordshire. Whilst costs were generally well controlled, the fall in revenue impacted on the net surplus generated, resulting in the loss of valuable income that would otherwise be used to support our other charitable services. To address this, a number of redundancies were made, taking the permanent staff team in this part of the business from 8 to 6.

Priorities for the year ahead

The Union's strategy has been redeveloped over the course of the last year, enabling us to develop a series of Key Performance Indicators. The aim over the next year is to ensure that our work is focused around delivery of these KPIs. We will particularly focus on the following:

- We aspire to remain in the top quartile of all HE Students' Unions in the UK (measured by question 26 of the National Student Survey).

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

- We aim to have student representation on 85% of University committees.
- At least 80% of UK students at UH will engage with at least one service annually and we will have positive Net Promoter Scores in our outlets.
- We aim to achieve a staff satisfaction score of over 80%.

Objectives and Activities

a. Aims, objectives and activities

The Trustees present their annual report together with the audited financial statements of the University of Hertfordshire Students' Union (the Union) for the year 1 August 2017 to 31 July 2018.

Objectives and Activities

a. Aims, objectives and activities

The Board of Trustees has undertaken a review of its strategy over the last year and identified the Union's mission as follows:

Our vision:

- We put students first

Our values:

- We represent students
- We will always welcome people in a friendly, open way
- We like to have fun at work and hope this rubs off on everyone we interact with
- We will be collaborative with each other and University colleagues to make changes that benefit students
- We love coming up with innovative solutions and being creative in our approach

Our strategy:

- Representing students' interests will be our number one priority
- We will communicate transparently, seek student feedback and promote open conversations with the University
- Our activities, services and facilities will be as diverse as our students
- We will employ great people who are passionate about improving students' lives
- We will offer a fun, safe and affordable social programme and our student-friendly services won't break the bank

In pursuit of these aims for the public benefit, the Union will ensure the diversity of its membership is recognised, valued and supported and has established departments and services for use by its members and to support its work with the University and other organisations on behalf of students. These include the Union's Advice and Support Centre, support for student representatives, societies and volunteering activities, student media, and support for student skills and training activities. In addition, the Union has established a subsidiary company (UHSU Enterprises Limited) to operate the Union's bars, venues, catering, entertainments and shops. In 2017-18 ran a subsidiary company (UHSU Solutions Limited) to operate the Union's student housing services, although this service ceased operations on 31 August 2018. Elected officers of the Union sit on every major committee of the University and meet regularly with the Local Authority, other providers of public services affecting students and local community groups.

The Union continues to represent the students of the University on relevant local, national and international issues by supporting a high number of student representatives. Student representatives sit on and contribute to over 50 University committees and academic programme committees which allows the Union to cater effectively to the needs of the students. Student representatives are present on all policy and strategy making boards.

When reviewing our objectives and planning our activities, we have given due consideration to the Charity

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

Commission's general and relevant supplementary guidance on public benefit.

The Union employs a Chief Executive to work closely with the Trustees to ensure effective management of the charity as head of a senior management team as follows:-

Chief Executive

Phil Mackay

Director of Engagement and Communications

Rebecca Hobbs

Director of Finance and Resources

Christine Dixon

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt a going concern basis in preparing these financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies. The Trustees are aware of the impact on the financial statements of the inclusion of the liabilities in relation to the closed defined pension scheme. There is a deficit reduction scheme in place to ensure these liabilities are fully met over the next 13 years.

b. Reserves policy

The Union's reserves policy is to aim towards the following reserves:

- Provide financial stability to enable the Union to achieve its objectives during challenging trading periods – a working capital reserve of at least £360,000 is required
- Provide a reserve for future capital investment of at least £150,000
- Enable the Union to take advantage of strategic development opportunities and plan for growth a reserve of £50,000 is desired

Free reserves were a negative balance of £65,548 at the year end. This is significantly below target and the Union are working with the University to review the provision of the commercial activities to reduce the future financial risk to the Union.

The Union is currently affiliated only to the NUS, for which our total subscription costs amounted to £27,400 for the year, and no donations were made during the year to any external institutions out of the Union's own resources.

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

c. Financial Review

The University continues to recognise and support the activities of the Union by way of the subvention grant of £1,120,000 for the year. In addition the University funded £784,918 towards the cost of leased accommodation and directly funded on behalf of the Union £70,000 towards the cost of the Athletic Union, which is not shown in these accounts.

The Union's gross income from all sources during the year was £5,154,131. (2017: £5,492,580). The fall in income was mainly due to the continued decline in bars and late night entertainments, following the national trend. Total expenditure of £5,312,683 (2017 £5,484,657) on student facing services, income-generating activities and reorganisation costs resulted in a deficit of £158,552 (2017 surplus £7,923).

Going forward, the Union's budget for 2018-19 shows a small surplus of £10,000. This includes a subvention grant of £1,176,000 from the University. In 2018-19 the University and the Union are jointly involved in a tender process to procure a long term partner for student focused catering and retail services on campus. The objective is to achieve long term solution which maximises impact on student experience.

Structure, governance and management

a. Constitution

The Union is constituted under the Education Act 1994 as a charity (see page 1) in line with Memorandum and Articles of Association most recently approved by the governing body of the University of Hertfordshire (the University) dated 11 July 2011 and amended June 2016.

The Union's charitable Objects under the Act are as follows:

The advancement of education of students at the University of Hertfordshire for the public benefit by:

- 1.1 promoting the interests and welfare of students at the University of Hertfordshire during their course of study and representing, supporting and advising students;
- 1.2 being the recognised representative channel between students and the University of Hertfordshire and any other external bodies; and
- 1.3 Providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its students.

b. Method of appointment or election of Trustees

The Union is administered by a Board of Trustees, consisting of five officer trustees elected annually by cross campus secret ballot of the Union members, up to three student trustees elected by cross campus ballot to serve a maximum of two years and up to four independent trustees appointed by the Board to serve up to three years and a maximum of two consecutive terms. The Trustees undertook a review of the five officer trustee posts in 2016 and introduced the posts of President, Vice President Education, Vice President Community, Vice President Services and Vice President Activities in 2017. These five posts are full time, elected officers whose posts are remunerated as authorised by the Education Act 1994 and cannot exceed two years duration for each holder. The term of office for Officer Trustees runs from June to the end of May each year (or nearest Friday) to link better to the academic year of students at the University and ensure a thorough induction period each summer. The five Officer Trustees, three Student Trustees and four Independent Trustees are regarded as the charity trustees of the Union for the purposes of the Charity Acts.

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

c. Organisational structure and decision making

The Union operates on democratic principles, with supervisory power vested in the Board of Trustees, which can veto decisions made by the Student Council and approves the annual budgets and accounts. The Student Council approves the Union's general policy, and elects students to serve on a number of the Union committees. The Student Council membership comprises the Executive Committee together with representatives of a wide range of students' and student groups, although any student can attend Student Council to observe.

The Executive Committee comprises the five Officer Trustees and eleven part time elected officers. The elected officers serve a term of office of one year, but may be re elected in subsequent years. The Executive Committee is responsible for leading on the development of policy for discussion at Student Council and the organisation of campaigns that are relevant to students.

The Trustees, assisted by sub committees where appropriate, delegate the day to day running of the Union to a Chief Executive, named above. As charity trustees, trustees receive an induction into their legal and administrative responsibilities, with an on going training programme as and when needed for issues arising during their term of office.

As a sub committee of the Board of Trustees, the Executive Management Board meets fortnightly to receive reports from individual Officer Trustees, sub committees and the Senior Management Team, to review the charity's performance and administration generally and to decide on day to day management issues, subject to the oversight of the Board of Trustees. The Union also employs a team of professional staff who provide and manage many of the charity's services and activities. Those staff are accountable to the Chief Executive, through the senior management team, for the performance of their duties.

d. Relationship with the University of Hertfordshire

The relationship between the University and the Union is established in the University's Memorandum and Articles of Governance and detailed in a Code of Practice approved by both organisations. The Union receives a subvention grant from the University, and part occupies buildings owned by the University, which also pays for utilities, and other management costs. The cost of such services is charged for through Service Charges which are funded through the allocation of additional accommodation grants. Although the Union continues to generate supplementary funding from various mutual trading activities, it will always be dependent on the University's support.

The Union also occupies its premises under commercial leases of approximately £365,150 pa. The University has continued to fund a similar amount via an accommodation grant.

There is no reason to believe that this or equivalent support from the University will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on the University to ensure the financial viability of its student representative body.

e. Risk management

The Board of Trustees has examined the major strategic, business and operational risks faced by the Union. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions. Procedures are in place to ensure compliance with health and safety of staff, volunteers and participants on all activities organised by the Union. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

Plans for future periods

a. Future funding

The Board of Trustees confirms that the Union has sufficient funds to meet all its obligations for the coming year. The subvention grant funding for the 2018/2019 year has been confirmed at £1,176,000. In addition £810,035 has been confirmed for accommodation costs with an additional £14,000 for the De Havilland retail outlet.

Information on fundraising practices

Students raise funds through RAG for other charities but no fundraising is done on behalf of the Union.

Custodian activities: Clubs and societies funds and the annual RAG

The Union acts as custodian for funds raised by the Union's many societies, amounting to an income of £54,361 and expenditure of £49,633 during the year, in addition to the grant support funds it disburses to them as shown in the accounts. The Union is also custodian of the annual RAG (Raise and Give) proceeds from fundraising events organised by the students under the Union auspices for distribution to the intended charities. Net funds raised by this year's RAG amounting to £3,758 were distributed among the charities nominated by the RAG Committee. In addition, student groups supported by the Union raised further significant funds which were donated directly to student's chosen charities.

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

Trustees' responsibilities statement

The Trustees (who are also directors of University of Hertfordshire Student's Union for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.


The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

This report was approved by the Trustees, on 9/11/2018 and signed on their behalf by:


.....
Zainab Hakim
Chair of the Board of Trustees 2018-19

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

Opinion

We have audited the financial statements of University of Hertfordshire Students' Union (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2018 set out on pages 13 to 32. 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 and the Charities Act 2011.

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our 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

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Group Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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, and to the charitable company's Trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP
Date:

Hillier Hopkins LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations & legacies:					
University Block grant	2	1,120,000	-	1,120,000	685,000
University grant for rent	2	784,918	-	784,918	784,703
Other donations and legacies	2	12,241	-	12,241	195,000
Charitable activities:	3				
Lettings income		96,502	-	96,502	147,459
Societies		-	57,836	57,836	51,885
Other income		104,316	-	104,316	93,162
Other trading activities	8	2,977,651	-	2,977,651	3,534,911
Investments	4	667	-	667	460
Total income		5,096,295	57,836	5,154,131	5,492,580
Expenditure on:					
Raising funds:					
Trading expenditure		3,118,331	-	3,118,331	3,416,154
Trading rent		658,994	-	658,994	658,778
Advice welfare and support		148,916	-	148,916	127,130
Lettings		195,072	-	195,072	183,423
Lettings rent		25,185	-	25,185	25,185
Student engagement		476,618	51,398	528,016	450,254
Communications		380,983	-	380,983	372,442
Governance		257,186	-	257,186	251,291
Total expenditure	7	5,261,285	51,398	5,312,683	5,484,657
Net surplus/ (deficit) before investment gains		(164,990)	6,438	(158,552)	7,923
Movement on pension provision		52,760	-	52,760	51,856
Net income / (expenditure) before other recognised gains and losses		(112,230)	6,438	(105,792)	59,779
Net movement in funds		(112,230)	6,438	(105,792)	59,779
Reconciliation of funds:					
Total funds brought forward		(510,409)	42,813	(467,596)	(527,375)
Total funds carried forward		(622,639)	49,251	(573,388)	(467,596)

The notes on pages 17 to 32 form part of these financial statements.

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
REGISTERED NUMBER: 07703890

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	12		218,665		234,183
Current assets					
Stocks	13	85,025		131,418	
Debtors	14	162,642		208,878	
Cash at bank and in hand		487,863		421,741	
		<u>735,530</u>		<u>762,037</u>	
Creditors: amounts falling due within one year	15	(751,827)		(635,300)	
Net current (liabilities)/assets			<u>(16,297)</u>		<u>126,737</u>
Total assets less current liabilities			<u>202,368</u>		<u>360,920</u>
Defined benefit pension scheme liability	20		(775,756)		(828,516)
Net liabilities including pension scheme liabilities			<u>(573,388)</u>		<u>(467,596)</u>
Charity Funds					
Restricted funds	16		49,251		42,813
Unrestricted funds	16		(622,639)		(510,409)
Total deficit			<u>(573,388)</u>		<u>(467,596)</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 9/11/2018 and signed on their behalf, by:



Zainab Hakim, Chair

The notes on pages 17 to 32 form part of these financial statements.

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
REGISTERED NUMBER: 07703890

COMPANY BALANCE SHEET
AS AT 31 JULY 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	12		218,665		234,183
Investments			2		2
			<u>218,667</u>		<u>234,185</u>
Current assets					
Debtors	14	49,323		221,833	
Cash at bank and in hand		305,595		67,730	
		<u>354,918</u>		<u>289,563</u>	
Creditors: amounts falling due within one year	15	(371,218)		(162,829)	
Net current (liabilities)/assets			<u>(16,300)</u>		<u>126,734</u>
Total assets less current liabilities			<u>202,367</u>		<u>360,919</u>
Defined benefit pension scheme liability	20		(775,756)		(828,516)
Net liabilities including pension scheme liabilities			<u>(573,389)</u>		<u>(467,597)</u>
Charity Funds					
Restricted funds			49,251		42,814
Unrestricted funds			(622,640)		(510,411)
Total deficit			<u>(573,389)</u>		<u>(467,597)</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 9/11/2018 and signed on their behalf, by:


.....
Zainab Hakim, Chair

The notes on pages 17 to 32 form part of these financial statements.

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	148,707	(28,776)
Cash flows from investing activities:			
Dividends, interest and rents from investments		667	460
Proceeds from the sale of tangible fixed assets		1,209	1,044
Purchase of tangible fixed assets		(140,684)	(164,633)
Net cash used in investing activities		(138,808)	(163,129)
Change in cash and cash equivalents in the year		9,899	(191,905)
Cash and cash equivalents brought forward		421,741	613,646
Cash and cash equivalents carried forward	19	431,640	421,741

The notes on pages 17 to 32 form part of these financial statements.

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

1. Accounting Policies

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.

University of Hertfordshire Students' Union 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 the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. After making appropriate enquiries, the Trustees have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt a going concern basis in preparing these financial statements. The Trustees are aware of the impact on the financial statements of the inclusion of the liabilities in relation to the closed defined pension scheme. There is a deficit reduction scheme in place to ensure these liabilities are fully met over the next 13 years.

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.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company. 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.

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

1. Accounting Policies (continued)

1.6 Basis of consolidation

The financial statements consolidate the accounts of University of Hertfordshire Students' Union 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.

The income and expenditure account for the year dealt with in the accounts of the company was £112,229 loss (2017 - £59,779).

1.7 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.8 Tangible fixed assets and depreciation

All assets costing more than £500 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:

Plant and machinery	-	25% straight line
Motor vehicles	-	25% straight line
Office equipment	-	25/33% straight line

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 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.

1.11 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.

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

1. Accounting Policies (continued)

1.12 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.

1.13 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.

1.14 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.

1.15 Pensions

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

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 30 September 2013. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. The 2013 valuation of the scheme recommended a monthly contribution requirement by each participating employer intended to clear the ongoing funding deficit over a period of 17 years. The pension provision included in the accounts is the net present valuation of the expected contributions to the scheme deficit to 31 October 2031.

1.16 Fund accounting

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

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

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
University Block grant	1,120,000	-	1,120,000	685,000
University grant for rent	784,918	-	784,918	784,703
	<u>1,904,918</u>	<u>-</u>	<u>1,904,918</u>	<u>1,469,703</u>
Other grants	12,241	-	12,241	195,000
	<u>1,917,159</u>	<u>-</u>	<u>1,917,159</u>	<u>1,664,703</u>
Total donations and legacies	<u>1,917,159</u>	<u>-</u>	<u>1,917,159</u>	<u>1,664,703</u>
<i>Total 2017</i>	<u>1,654,703</u>	<u>10,000</u>	<u>1,664,703</u>	

3. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Charity incoming resources	200,818	57,836	258,654	292,506
	<u>240,620</u>	<u>51,885</u>	<u>292,505</u>	
<i>Total 2017</i>	<u>240,620</u>	<u>51,885</u>	<u>292,505</u>	

4. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	667	-	667	460
	<u>460</u>	<u>-</u>	<u>460</u>	
<i>Total 2017</i>	<u>460</u>	<u>-</u>	<u>460</u>	

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

5. Support costs

	Governance £	Charitable activities £	Total 2018 £	Total 2017 £
Other support	82,481	480,692	563,173	476,543
Rent and rates	25,185	759,734	784,919	784,701
Taxation	1,070	-	1,070	(1,070)
Wages and salaries	148,450	536,825	685,275	663,758
National insurance	-	69,356	69,356	67,218
Pension cost	-	90,559	90,559	77,353
	<u>257,186</u>	<u>1,937,166</u>	<u>2,194,352</u>	<u>2,068,503</u>
<i>Total 2017</i>	<u>252,360</u>	<u>1,816,143</u>	<u>2,068,503</u>	

6. Governance costs

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Support costs - Governance	108,736	-	108,736	100,562
Wages and salaries	148,450	-	148,450	151,798
	<u>257,186</u>	<u>-</u>	<u>257,186</u>	<u>252,360</u>

7. Analysis of Expenditure by expenditure type

	Staff costs 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading	967,488	2,150,843	3,118,331	3,416,154
Costs of raising funds	967,488	2,150,843	3,118,331	3,416,154
Direct costs - Activities	696,740	1,240,426	1,937,166	1,816,142
Expenditure on governance	148,450	108,736	257,186	252,360
	<u>1,812,678</u>	<u>3,500,005</u>	<u>5,312,683</u>	<u>5,484,656</u>
<i>Total 2017</i>	<u>1,856,615</u>	<u>3,628,041</u>	<u>5,484,656</u>	

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

8. Turnover

The whole of the turnover is attributable to retail operations, entertainment and bars.

All turnover arose within the United Kingdom.

9. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charitable group	155,028	176,258

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

10. Auditors' remuneration

The Auditor's remuneration amounts to an Audit fee of £16,000 (2017 - £15,000).

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

11. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,610,147	1,669,635
Social security costs	106,022	104,589
Other pension costs (Note 20)	96,509	82,391
	<u>1,812,678</u>	<u>1,856,615</u>

Redundancy payments of £141,170 were payable for the year.

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

	2018 No.	2017 No.
Full time	43	43
Students	101	122
	<u>144</u>	<u>165</u>

The number of higher paid employees was:

	2018 No.	2017 No.
In the band £70,001 - £80,000	1	1

The key management personnel of the charity comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity and its subsidiaries was £205,449 (2017: £299,104). Of this, £103,222 (2017: £109,247) was paid to sabbatical officers for the representation, campaigning and support work they undertake as distinct from their trustee responsibilities, as authorised in the Union's governing document. This work includes voicing student opinion with the institution and local community, defending and extending the rights of students through petitions, discussion with MPs and also organising and supporting student volunteers and service provision for them.

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

12. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Group				
Cost				
At 1 August 2017	759,470	50,055	609,185	1,418,710
Additions	96,499	-	44,185	140,684
Disposals	(105,949)	(18,925)	(13,380)	(138,254)
At 31 July 2018	750,020	31,130	639,990	1,421,140
Depreciation				
At 1 August 2017	598,689	48,554	537,284	1,184,527
Charge for the year	101,986	1,501	51,541	155,028
On disposals	(104,777)	(18,925)	(13,378)	(137,080)
At 31 July 2018	595,898	31,130	575,447	1,202,475
Net book value				
At 31 July 2018	154,122	-	64,543	218,665
At 31 July 2017	160,781	1,501	71,901	234,183
Company				
Cost				
At 1 August 2017	759,470	50,055	609,185	1,418,710
Additions	96,499	-	44,185	140,684
Disposals	(105,949)	(18,925)	(13,380)	(138,254)
At 31 July 2018	750,020	31,130	639,990	1,421,140
Depreciation				
At 1 August 2017	598,689	48,554	537,284	1,184,527
Charge for the year	101,986	1,501	51,541	155,028
On disposals	(104,777)	(18,925)	(13,378)	(137,080)
At 31 July 2018	595,898	31,130	575,447	1,202,475
Net book value				
At 31 July 2018	154,122	-	64,543	218,665
At 31 July 2017	160,781	1,501	71,901	234,183

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

13. Stocks

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	£	£	£	£
Finished goods and goods for resale	85,025	131,418	-	-

14. Debtors

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	10,660	57,979	-	32,094
Amounts owed by group undertakings	-	-	1,029	144,177
Other debtors	41,370	48,154	17,585	18,354
Prepayments and accrued income	110,612	102,745	30,709	27,208
	162,642	208,878	49,323	221,833

15. Creditors: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts	56,223	-	56,223	-
Trade creditors	99,192	195,693	36,186	17,764
Amounts owed to group undertakings	-	-	12,291	-
Other taxation and social security	79,604	29,149	23,943	22,795
Other creditors	264,343	260,701	13,641	15,143
Accruals and deferred income	252,465	149,757	228,934	107,127
	751,827	635,300	371,218	162,829

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

**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 £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2018 £
Designated funds						
Capital Grants Fund	6,976	12,241	-	(11,057)	-	8,160
General funds						
General Funds - all funds	(517,385)	5,084,054	(5,261,285)	11,057	52,760	(630,799)
Total Unrestricted funds	(510,409)	5,096,295	(5,261,285)	-	52,760	(622,639)
Restricted funds						
Societies	41,423	56,793	(50,584)	-	-	47,632
Other	1,390	1,043	(814)	-	-	1,619
	42,813	57,836	(51,398)	-	-	49,251
Total of funds	(467,596)	5,154,131	(5,312,683)	-	52,760	(573,388)

Capital Grants Fund

A capital grant of £27,500 was provided by the University in 2013 to fund the purchase of a minibus. This is being released to unrestricted funds to match the depreciation charge of the capitalised asset. A further £12,241 was received in the year for the purchase of cinema equipment.

Societies

Societies funds represent amounts raised by the clubs and societies of the Union for their own use.

Other

Other funds represent amounts received for specific minor projects.

Statement of funds - prior year

	Balance at 1 August 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2017 £
Designated funds						
Capital grants fund	12,121	-	-	(5,145)	-	6,976
General Funds - all funds	(584,555)	5,430,695	(5,420,524)	5,145	51,856	(517,383)

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

16. Statement of funds (continued)

Restricted funds

Societies	42,438	51,884	(52,899)	-	-	41,423
Freshers Grant	-	10,000	(10,000)	-	-	-
Other	2,623	-	(1,233)	-	-	1,390
	<u>45,061</u>	<u>61,884</u>	<u>(64,132)</u>	<u>-</u>	<u>-</u>	<u>42,813</u>
Total of funds	<u>(527,373)</u>	<u>5,492,579</u>	<u>(5,484,656)</u>	<u>-</u>	<u>51,856</u>	<u>(467,594)</u>

Summary of funds - current year

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2018 £
Designated funds	6,976	12,241	-	(11,057)	-	8,160
General funds	(517,385)	5,084,054	(5,261,285)	11,057	52,760	(630,799)
	<u>(510,409)</u>	<u>5,096,295</u>	<u>(5,261,285)</u>	<u>-</u>	<u>52,760</u>	<u>(622,639)</u>
Restricted funds	42,813	57,836	(51,398)	-	-	49,251
	<u>(467,596)</u>	<u>5,154,131</u>	<u>(5,312,683)</u>	<u>-</u>	<u>52,760</u>	<u>(573,388)</u>

Summary of funds - prior year

	Balance at 1 August 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2017 £
Designated funds	12,121	-	-	(5,145)	-	6,976
General funds	(584,555)	5,430,695	(5,420,524)	5,145	51,856	(517,383)
	<u>(572,434)</u>	<u>5,430,695</u>	<u>(5,420,524)</u>	<u>-</u>	<u>51,856</u>	<u>(510,407)</u>
Restricted funds	45,061	61,884	(64,132)	-	-	42,813
	<u>(527,373)</u>	<u>5,492,579</u>	<u>(5,484,656)</u>	<u>-</u>	<u>51,856</u>	<u>(467,594)</u>

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

**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 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	218,665	-	218,665
Current assets	686,279	49,251	735,530
Creditors due within one year	(751,827)	-	(751,827)
Provisions for liabilities and charges	(775,756)	-	(775,756)
	<u>(622,639)</u>	<u>49,251</u>	<u>(573,388)</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	234,182	-	234,182
Current assets	719,227	42,813	762,038
Creditors due within one year	(635,300)	-	(635,300)
Provisions for liabilities and charges	(828,516)	-	(828,516)
	<u>(510,407)</u>	<u>42,813</u>	<u>(467,596)</u>

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

	Group
	2018
	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(105,792)
Adjustment for:	
Depreciation charges	155,028
Dividends, interest and rents from investments	(667)
Profit on the sale of fixed assets	(35)
Decrease/(increase) in stocks	46,393
Decrease in debtors	46,236
Increase/(decrease) in creditors	60,304
Movement in provisions	(52,760)
Net cash provided by/(used in) operating activities	148,707

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

19. Analysis of cash and cash equivalents

	2018	Group 2017
	£	£
Cash in hand	487,863	421,741
Overdraft facility repayable on demand	(56,223)	-
Total	431,640	421,741

20. Pension commitments

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 £25,833 (2017 - £22,516).

The Union participates in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country.

The 2013 valuation of the scheme recommended a monthly contribution requirement by each participating employer intended to clear the ongoing funding deficit over a period of 17 years. The pension provision below is the net present valuation of the expected contributions to the scheme deficit to 31 October 2031.

Pension provision

	2018	2017
	£	£
Provision at 1 August 2017	828,516	880,372
Repaid in year	(52,760)	(51,856)
At 31 July 2017	775,756	828,516

21. Operating lease commitments

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

	2018	2017
	£	£
Group and Company		
Amounts payable:		
Within 1 year	276,758	274,995
Between 1 and 5 years	1,105,415	1,099,980
After more than 5 years	1,649,970	2,199,960
Total	3,032,143	3,574,935

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

22. Related party transactions

The following are considered to be related parties for the reasons stated. The transactions with these related parties are set out below:

University of Hertfordshire

The Union is in receipt of a recurrent grant from the parent body of £1,120,000 (2017: £685,000).

During the year the Union received an accommodation grant of £784,918 (2017: £784,703) to cover the rental payments due on the Forum & Hutton buildings.

Transactions through the year resulted in a trading balance of £173 (2017: £5,739) owed to the University.

UHSU Enterprises Ltd

The Union holds 100% of the issued share capital of this company. During the year the Union entered into the following transactions:

A management charge of £Nil (2017: £20,000) was levied on this company. The balance owed by the Union at 31 July 2018 was £12,291 (2017: owed to the Union £90,984).

UHSU Solutions Ltd

The Union holds 100% of the issued share capital of this company. During the year the Union entered into the following transactions:

A management charge of £Nil (2017: £25,000) was levied on this company. A payment by way of gift aid was received from the company amounting to £1,029 (2017: £28,193).

23. Principal subsidiaries

UHSU Enterprises Ltd

Subsidiary name	UHSU Enterprises Ltd
Company registration number	06666418
Basis of control	Shares
Equity shareholding %	100%
Total assets as at 31 July 2018	£ 246,494
Total liabilities as at 31 July 2018	£ 246,493
Total equity as at 31 July 2018	£ 1
Turnover for the year ended 31 July 2018	£ 2,977,651
Expenditure for the year ended 31 July 2018	£ 2,977,651
Result for the year ended 31 July 2018	£ -

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION

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

23. Principal subsidiaries (continued)

UHSU Solutions Ltd

Subsidiary name	UHSU Solutions Ltd
Company registration number	03955456
Basis of control	Share
Equity shareholding %	100%
Total assets as at 31 July 2018	£ 132,225
Total liabilities as at 31 July 2018	£ 132,224
Total equity as at 31 July 2018	£ 1
Turnover for the year ended 31 July 2018	£ 96,502
Expenditure for the year ended 31 July 2018	£ 96,502
Result for the year ended 31 July 2018	£ -

CORRESPONDENCE
 PGC/CORRESPONDENCE
 ACCOUNTS
 STATUTORY
 27 NOV 1978
 11/27 NOV 1978
 PERMITS UNIT
 PAYMENT
 11/27 NOV 1978