
UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2021**

Trustees

Officer Trustees

Karthik Kumar Bonkhur, President and Deputy Chair (resigned 4 July 2021)
Kayleigh Malone, Vice President Community (resigned 4 July 2021)
Muhammad Saad Raees, Vice President Education (resigned 4 July 2021)
Bobbie Jay Gurrey, Vice President Activities (appointed 1 August 2020, resigned 4 July 2021)
Rhiannon Ellis, President (appointed 5 July 2021)
Prosati Ganguly, Vice President Community (appointed 5 July 2021)
Haram Zehra Syeda, Vice President Education (appointed 5 July 2021)
Junaid Ahmed, Vice President Activities (appointed 5 July 2021)

External Trustees

Simon Petar
David Ball, Chair
Stephen Isaacs
Sarah Fuell

Student Trustees

Bishal Saha (resigned 4 July 2021)
Maryam Ateeq (appointed 1 August 2020, resigned 4 July 2021)
Katie Morton (appointed 5 July 2021)
Victoria Udeh (appointed 5 July 2021)

University Trustee

Dr Mairi Watson (appointed 1 August 2020)

**Company registered
number**

07703890

**Charity registered
number**

1143101

Registered office

College Lane
Hatfield
Hertfordshire
AL10 9AB

Independent auditor

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

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

| | |
|----------------|---|
| Bankers | Santander Bank plc Brindle Road Bootle Merseyside L30 4GB |
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|-------------------|---|
| Solicitors | TLT Solicitors LLP One Redcliff Street Bristol BS1 6TP |
|-------------------|---|

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2021

Strategic Report

Overview

The 2020-21 financial year was a positive year for the University of Hertfordshire Students' Union (HSU), despite the impacts of the Coronavirus.

The Students' Union represented students well in 2020-21, 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.

Achievements and performance

The Students' Union has had numerous achievements this year in line with its strategy.

2020-21 IN REVIEW

HSU's strategic vision is for students to love life at Herts. Like many organisations, HSU was forced into an online delivery model earlier than we would have liked, however, some of the initiatives we've undertaken – namely around a) the delivery of online events b) the delivery of online advocacy services and c) the delivery of online social network building. Given our commuting student population, we have discussed developing these services over a number of years; however, Covid has rapidly accelerated these plans. In the past year to date, our societies ran over 200 virtual events for their members, our HSU team ran another 100 virtual events open to all students, we had over 1000 students access our Advice and Support Centre (compared to 800 over the same period last year) and we ran over 50 'Speed Meet' sessions using an online 'Icebreaker' platform – additionally, we more than doubled the number of students in our 'Buddy Scheme' – more than 200 students signed up to act as or be paired with buddies throughout the University. We had more than 3,000 students take out over 8,000 free memberships in our student-led societies – an all-time high for us.

Additionally, the way HSU hears and reflects the student voice has changed dramatically as well. A few examples of some the successes of 20/21 that we are able to build on are:

- Student Academic Success Survey (SASS) – A pulse survey aimed at looking further into students' academic experiences, particularly important as blended learning progresses. Over 3000 students responded to our Sem A and Sem B surveys, with recommendations and feedback presented at a variety of senior UH committees and very well received.
- BAME Student Journey research - three strand project focusing on Wellbeing, Academic Interests and the Awarding Gap. The field work on this is now complete and the data will be analysed and shared across UH over the coming months. It is hoped that this will help shape the University's work with our BAME students moving forward.
- A Changed World contribution – HSU developed a video contribution featuring feedback from students on how Covid has impacted them: <https://www.herts.ac.uk/about-us/a-changed-world/the-collection/hertfordshire-students-union> Building on the success of this video, we feel there are additional opportunities to share student voices and successes in this format in the future.

All of these give us a significant platform to build on as UH rolls out its blended learning model.

2020-21 Challenges

2020-21 has of course presented the entire University with challenges to overcome. Key for HSU are challenges around student community building, student wellbeing and student confidence moving forward.

Our online delivery mechanisms for events and social networks have, to an extent, continued to support the University's and the Union's objectives around student communities. However, these work best in an environment that allows them to carry on alongside face to face activities, to act as a compliment for students who cannot always access in-person activity rather than a substitute for the in-person experience. There is a concern that particularly first year students will not have had the opportunity to establish their social capital in

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FOR THE YEAR ENDED 31 JULY 2021

the way previous cohorts will have done. To support this, HSU is proposing to include returning students in Welcome Activities in order to support them in making up for lost time.

Student wellbeing remains a national crisis facing the sector. Mind reports that nearly three-quarters of students report that their mental health has been impacted by the pandemic (<https://www.mind.org.uk/information-support/coronavirus/student-mental-health-during-coronavirus/#HowIsCoronavirusAffectingStudentMentalHealth>) – the University and the SU have a critical role to play in supporting this moving forward. It is our hope that in capitalising in some of the opportunities above, alongside a robust programme of in-person activity, we will see some improvement on this over the next three years. To support this, our VP Community has developed a Wellbeing toolkit resource to signpost students towards the variety of mental health services across the SU and the University: <https://hertfordshire.su/your-support/mentalhealth/studentwellbeingguide/>

Looking ahead to 2021-22

Over the next three years, HSU intends to continue to provide students with the opportunity to enrich their academic development and success through introducing and expanding some key initiatives, all aimed at developing student confidence and contributing to University objectives around retention and achievement:

- The first is a new initiative, our BAME Empowerment Programme. This programme will be an opportunity for BAME students to attend events such as guest speakers, opportunities to network, mentoring/coaching, training and development. We're currently working with WASS and Careers to create this for the new academic year, and with the help of our BAME Advocates, who are helping run focus groups to ensure what's being developed is what students believe is important.
- The second is enhancing the development of our already established Student Leadership Development Programme (SLDP): <https://hertfordshire.su/your-opportunities/studentleadersdevelopmentprogramme/> This programme provides a range of skills development workshops targeting employability and professional development and is available for the several thousand students who undertake leadership roles within the SU. This programme sits alongside the Go Herts Award.

More generally speaking, students who participate in HSU Activities of any kind tend to have better academic outcomes. In particular, it's worth noting that there is a lower awarding gap between black and white students who participate in HSU activities than those who don't – whilst we cannot say that there is definitive causation within this, there is certainly a link with improved outcomes and HSU has a KPI targeting increased numbers of students engaging in our activities in order to drive this further.

Community building

Much of what HSU undertakes is aimed at building communities of students – it's one of our strategic drivers (<https://hertfordshire.su/your-union/strategicplan/>). However, the next three years offer some unique opportunities to redefine what the Herts community looks like emerging from the pandemic:

- The reopening of the Forum is critical to this piece. The nightclub activity will re-invigorate a safe yet exciting opportunity for students to regain social confidence. In addition to this, during the day, the SU spaces in the Forum will be used for student events, rehearsals, meetings, etc – all have been missed during the pandemic.
- Student Group development is also critical to supporting the development of community at UH, particularly as blended learning is rolled out. Alun and his teams are re-looking at our offer to make sure it fit to support this moving forward.
- Additionally, we have enjoyed a supportive partnership with the University this past year – feedback about students' views on community issues have been very well responded to. We will continue to work with the Dean of Students office, WASS and Careers on activities aimed at helping students feel at home at Herts.

Equality, Diversity and Inclusion

Following an assessment with our staff, students and external partners, Hertfordshire Students' Union has been awarded the Investors in Diversity for Small Charities Accreditation until March 2023 through the National Centre for Diversity (Find out more about the NCD [here](#).)

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Additionally, we are thrilled to have won 'Students' Union of the Year' at the National Centre for Diversity (NCFD) FREDIE Awards 2021 in recognition of our commitment to embedding the NCFD's values of Fairness, Respect, Equality, Diversity, Inclusion and Engagement at the University of Hertfordshire.

We received the award after the reveal of NCFD's 2021 Top 100 Most Inclusive Workplaces Index, which also took place during the online ceremony last week. We were the highest ranked students' union listed in the index, reaching 61st place.

Support and development for students

UH students represent a rich diversity of backgrounds, experiences, nationalities, ethnicities and cultures – in support of this, we have developed some online training that our student leaders in roles supporting societies, student reps and volunteers have been able to utilise to ensure they are best able to support our student population. The team have also developed some EDI information for our website and our society members now have to agree to an EDI pledge in order to join a society.

Support and development for HSU staff/officers

Over the summer, the EDI team ran an interactive and in-depth training session for our entire staff and officer team, touching on various elements of EDI, unconscious bias and preconceptions, and supporting students. Our staff were universally positive about this and we'd be looking to repeat this as we employ new staff.

Ongoing EDI projects

We have developed bespoke EDI training for our student leaders as part of our Student Leadership Development Programme, building on learning students have undertaken as part of the online learning already supplied. We are also continuing partnership work on a programme of events aimed at celebrating our student and staff community.

Flexibility of delivery and approach

The SU is inherently flexible as we are responsive to student feedback – this leads to a very agile way of working. Our work around the student voice will develop over the next three years through:

- Continuing to share our findings far and wide across the University so other teams can be responsive to student feedback
- Work on collaborative communications to support the University in demonstrating to students their own flexibility in responding to student voice

HSU staff and Governance: In addition to supporting the Officers, the Union employs 24.5 FTE staff. We've introduced a Staff Wellbeing Policy and Wellness Action Plans to better support the staff.

We were supported by the University's Internal Audit team to undertake a review of our governance. Following on from this, we will introduce a new approach to appointing a Chair of the Board and Student Trustees and we are appointing our first University Trustee in August.

Balanced budget: Crucially in supporting all of the above, in the last academic year, the Union has made significant financial strides, ending with a surplus of more than £70,000.

Staffing – Coronavirus Job Retention Scheme

The Union took advantage of the Coronavirus Job Retention Scheme (CJRS) and furloughed five permanent staff.

Impacts of Coronavirus on University of Hertfordshire Students' Union Activity

All face to face activity by the Union was ceased by 15 March 2020 and teaching within the parent institution moved online around this time as well. All SU staff and officers began working from home – staff did not begin to return to site until September 2020. The Forum closed in March and activity in this space remained curtailed for the entirety of the financial year.

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Therefore, in addition the above, we've had to pivot very quickly to supporting our students in a digital capacity. This has been especially important given the uncertainty that students have faced. To support the UH community, we've hosted virtual events, a virtual Student Council, online pub quizzes, online society forums, surveyed just under 2,000 students regarding their University experiences through Covid, successfully lobbied for tuition fee extensions for international and self-funding students, and have continued to provide a high level of staff and management support, ensuring our staff satisfaction ratings have not gone down at all during the period of lockdown.

Impacts of Coronavirus on University of Hertfordshire Students' Union Finances

In 2020-21, because much face to face activity was curtailed, coupled with wage savings from the CJRS, the Union was able to make significant savings. This has contributed £99,159 amount to the Union's free reserves, bringing the total up to £333,857. This well within the Union's Reserves Policy, so will see the Union in good financial stead as the Forum hopes to reopen in September 2021.

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:

- 68% of students agreeing the Union has a positive impact on the wellbeing of students.
- Achieve an NSS score that is within the top 25% of all HE Students' Unions
- 22% of all students participate in HSU research
- At least 57% of students engage with at least one SU service per year
- 72% of students can identify that they are a member of the SU when surveyed
- Achieve a breakeven budget and achieve and maintain a reserves of 10% of our block grant
- Maintain staff engagement of 8 out of 10 or better

The Trustees present their annual report together with the audited financial statements of the University of Hertfordshire Students' Union (HSU) for the year 1 August 2020 to 31 July 2021.

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 HSU's mission as follows:

Our vision:

- We want students to love their life at Herts.

Our values:

- Helpful
- Empowering
- Representative
- Transparent
- Student-Focused

Our strategic drivers:

We advocate for:

- Student success and wellbeing
- Student insight and voice
- Student communities
- A strong Students' Union

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In pursuit of these aims for the public benefit, HSU 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 (HSU Enterprises Limited) to operate the Union's bars, venues, and entertainments. Elected Officers of HSU 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.

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

HSU 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

Rebecca Hobbs

Head of Operations

Luke Delderfield (resigned December 2020)

Alun Minifey (appointed May 2021)

Head of People and HR

Leena Patel (appointed August 2020)

Head of Student Services

Stephen Owen (appointed August 2020)

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. This expectation is bolstered by the Union's free reserves availability of £333,857. 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 FRS102 standard. This includes 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 14 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 with a working capital reserve of at least 10% of the Union's block grant is available

Free reserves stood at £333,857 at the year end.

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FOR THE YEAR ENDED 31 JULY 2021

HSU is currently affiliated only to the NUS, for which our total subscription costs amounted to £29,400 for the year, and no donations were made during the year to any external institutions out of HSU's own resources.

c. Financial Review

The Union has continued to benefit from the recognition and support from the University and received a substantially increased subvention grant for the year of £1,187,760. In addition the University funded £129,954 towards the cost of leased accommodation.

The University also directly funded on behalf of the Students' 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 £1,463,459 (2020: £2,579,260).

The fall in income was mainly due to the continued decline in bars and late night entertainments, following the national trend. Total expenditure of £1,389,078 (2020: £2,450,109) on the student facing services and income generating activities resulted in a surplus of £74,381 for the year (2020: £129,151).

Going forward, the Union's budget for 2021-22 shows a surplus of £8,673. This includes a subvention grant of £1,199,638 from the University.

Structure, governance and management

a. Constitution

HSU 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 February 2020.

HSU'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

HSU is administered by a Board of Trustees, consisting of four Officer Trustees elected annually by cross campus secret ballot of HSU members, up to two Student Trustees appointed by the Board to serve a maximum of two years, up to four Independent Trustees appointed by the Board to serve up to three years and a maximum of two consecutive terms, and a University Trustee, appointed by the University's Vice-Chancellor, to serve up to three years and a maximum of two consecutive terms. The four Officer Trustees 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 first week in July 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 four Officer Trustees, two Student Trustees, four External Trustees and one University Trustee are regarded as the charity trustees of HSU for the purposes of the Charity Acts.

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c. Organisational structure and decision making

HSU 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 political policy.

The Trustees, assisted by sub committees where appropriate, delegate the day to day running of HSU 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.

HSU 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 HSU is established in the University's Memorandum and Articles of Governance and detailed in a Code of Practice approved by both organisations. HSU 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 HSU 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 HSU. 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.

Plans for future periods

a. Future funding

The Board of Trustees confirms that HSU has sufficient funds to meet all its obligations for the coming year. The subvention grant funding for the 2021/22 financial year has been confirmed at £1,199,640. In addition, £379,058 has been confirmed for accommodation costs. Furthermore, the Union expects its commercial activities to continue to generate significant funds to support itself.

Custodian activities: Clubs and societies funds and the annual RAG

HSU acts as custodian for funds raised by the Union's many societies, amounting to an income of £8,161 and expenditure of £7,857 during the year, in addition to the grant support funds it disburses to them as shown in the accounts. HSU is also custodian of the annual RAG (Raise and Give) proceeds from fundraising events

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FOR THE YEAR ENDED 31 JULY 2021

organised by the students under HSU auspices for distribution to the intended charities. Net funds raised by this year's RAG amounting to £11,392 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.

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.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....
David Ball

Chair of the Board of Trustees 2020 21

Date:

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**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 charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 July 2021 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the 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 Trustees' report including the Strategic report.

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

- 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF HERTFORDSHIRE
STUDENTS' UNION (CONTINUED)**

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
(A company limited by guarantee)

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, Charities Act 2011 and relevant tax legislation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF HERTFORDSHIRE
STUDENTS' UNION (CONTINUED)**

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.

Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date:

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2021**

| | Note | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Donations and legacies: | 3 | | | | |
| University Block grant | | - | 1,187,760 | 1,187,760 | 1,176,000 |
| University grant for rent | | - | 170,283 | 170,283 | 613,919 |
| Other donations and legacies | | - | - | - | 16,950 |
| Charitable activities: | 4 | | | | |
| Societies | | 8,162 | - | 8,162 | 36,961 |
| Other charitable activities | | - | 10,515 | 10,515 | 42,046 |
| Other trading activities | | - | 36,359 | 36,359 | 627,139 |
| Investments | 5 | - | 15 | 15 | 1,311 |
| Other income | 6 | - | 50,365 | 50,365 | 64,934 |
| Total income | | 8,162 | 1,455,297 | 1,463,459 | 2,579,260 |
| Expenditure on: | | | | | |
| Raising funds | | - | 279,269 | 279,269 | 820,361 |
| Charitable activities: | 7 | | | | |
| Trading rent | | - | 40,330 | 40,330 | 483,963 |
| Advice welfare and support | | - | 147,195 | 147,195 | 131,005 |
| Student engagement | | 10,474 | 311,751 | 322,225 | 388,582 |
| Communications | | - | 255,397 | 255,397 | 259,745 |
| Governance | | - | 344,662 | 344,662 | 366,453 |
| Total expenditure | | 10,474 | 1,378,604 | 1,389,078 | 2,450,109 |
| Net movement in funds before other recognised gains/(losses) | | (2,312) | 76,693 | 74,381 | 129,151 |
| Other recognised gains/(losses): | | | | | |
| Actuarial losses on defined benefit pension schemes | 23 | - | (448,990) | (448,990) | (192,721) |
| Net movement in funds | | (2,312) | (372,297) | (374,609) | (63,570) |

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)**
FOR THE YEAR ENDED 31 JULY 2021

| | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|------------------------------------|--|--|---------------------------------------|---------------------------------------|
| Note | | | | |
| Reconciliation of funds: | | | | |
| Total funds brought forward | 75,370 | (630,114) | (554,744) | (491,174) |
| Net movement in funds | (2,312) | (372,297) | (374,609) | (63,570) |
| Total funds carried forward | <u><u>73,058</u></u> | <u><u>(1,002,411)</u></u> | <u><u>(929,353)</u></u> | <u><u>(554,744)</u></u> |

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)
REGISTERED NUMBER: 07703890

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 27,519 | 49,985 |
| Current assets | | | |
| Stocks | 13 | 23,356 | 27,454 |
| Debtors | 14 | 50,036 | 117,345 |
| Cash at bank and in hand | | 529,752 | 406,921 |
| | | <u>603,144</u> | <u>551,720</u> |
| Creditors: amounts falling due within one year | 15 | (196,229) | (241,652) |
| Net current assets | | <u>406,915</u> | <u>310,068</u> |
| Total assets less current liabilities | | <u>434,434</u> | <u>360,053</u> |
| Net assets excluding pension liability | | <u>434,434</u> | <u>360,053</u> |
| Defined benefit pension scheme liability | 23 | (1,363,787) | (914,797) |
| Total net assets | | <u><u>(929,353)</u></u> | <u><u>(554,744)</u></u> |
| Charity funds | | | |
| Restricted funds | 17 | 73,058 | 75,370 |
| Unrestricted funds | 17 | (1,002,411) | (630,114) |
| Total funds | | <u><u>(929,353)</u></u> | <u><u>(554,744)</u></u> |

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

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

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



David Ball

Chair of the Board of Trustees 2020 21

Date:

The notes on pages 22 to 42 form part of these financial statements.

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)
REGISTERED NUMBER: 07703890

COMPANY BALANCE SHEET
AS AT 31 JULY 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 27,519 | 49,985 |
| Investments | 12 | 1 | 1 |
| | | <u>27,520</u> | <u>49,986</u> |
| Current assets | | | |
| Debtors | 14 | 88,486 | 78,802 |
| Cash at bank and in hand | | 505,151 | 383,277 |
| | | <u>593,637</u> | <u>462,079</u> |
| Creditors: amounts falling due within one year | 15 | (103,805) | (152,012) |
| Net current assets | | <u>489,832</u> | <u>310,067</u> |
| Total assets less current liabilities | | <u>517,352</u> | <u>360,053</u> |
| Net assets excluding pension liability | | <u>517,352</u> | <u>360,053</u> |
| Defined benefit pension scheme liability | 23 | (1,363,787) | (914,797) |
| Total net assets | | <u><u>(846,435)</u></u> | <u><u>(554,744)</u></u> |
| Charity funds | | | |
| Restricted funds | 17 | 73,058 | 75,370 |
| Unrestricted funds | | | |
| Unrestricted funds excluding pension asset | 17 | - | (630,114) |
| Total unrestricted funds | 17 | <u>(919,493)</u> | <u>(630,114)</u> |
| Total funds | | <u><u>(846,435)</u></u> | <u><u>(554,744)</u></u> |

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

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

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

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)
REGISTERED NUMBER: 07703890

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2021



David Ball

Chair of the Board of Trustees 2020 21

Date:

The notes on pages 22 to 42 form part of these financial statements.

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021

| | Note | 2021 £ | 2020 £ |
|---|------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 20 | 122,969 | 234,478 |
| Cash flows from investing activities | | | |
| Proceeds from the sale of tangible fixed assets | | 15,565 | 768 |
| Purchase of tangible fixed assets | | (15,703) | (15,839) |
| Net cash used in investing activities | | (138) | (15,071) |
| Change in cash and cash equivalents in the year | | 122,831 | 219,407 |
| Cash and cash equivalents at the beginning of the year | | 406,921 | 187,514 |
| Cash and cash equivalents at the end of the year | 21 | 529,752 | 406,921 |

The notes on pages 22 to 42 form part of these financial statements

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

1. General information

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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), 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 Consolidated statement of financial activities (SOFA) and Consolidated 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.

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

2.2 Going concern

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.

In 2020-21, because much face to face activity was curtailed, coupled with wage savings from the CJRS, the Union was able to make significant savings. The Union's free reserves are £333,857 at the year end which is well within the Union's Reserves Policy, so will see the Union in good financial stead heading in to next year.

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 14 years.

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

2. Accounting policies (continued)

2.3 Income

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

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.4 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.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

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

Depreciation is provided on the following bases:

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

2.7 Investments

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

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

2.8 Stocks

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

2.9 Debtors

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

2.10 Cash at bank and in hand

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

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

2. Accounting policies (continued)

2.11 Liabilities

Liabilities and provisions 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 in the Consolidated statement of financial activities as a finance cost.

2.12 Financial instruments

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

2.13 Operating leases

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

2.14 Pensions

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

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 30 September 2019. The scheme closed to new joiners in 2011. 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, updated by subsequent valuations to August 2035. The pension provision included in the accounts is the net present valuation of the expected contributions to the scheme deficit to 31 October 2035.

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

2. Accounting policies (continued)

2.15 Fund accounting

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

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

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

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

3. Income from donations and legacies

| | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ |
|-------------------------------------|--|--|---------------------------------------|
| Grants | | | |
| University Block grant | - | 1,187,760 | 1,187,760 |
| University grant for rent | - | 170,283 | 170,283 |
| Subtotal detailed disclosure | - | 1,358,043 | 1,358,043 |
| Donations | - | - | - |
| Grants | - | - | - |
| | - | 1,358,043 | 1,358,043 |

| | <i>Restricted funds 2020 £</i> | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
|-------------------------------------|--|--|---------------------------------------|
| Grants | | | |
| University Block grant | - | 1,176,000 | 1,176,000 |
| University grant for rent | - | 613,919 | 613,919 |
| Subtotal detailed disclosure | - | 1,789,919 | 1,789,919 |
| Donations | 14,100 | - | 14,100 |
| Grants | - | 2,850 | 2,850 |
| Subtotal | 14,100 | 2,850 | 16,950 |
| | 14,100 | 1,792,769 | 1,806,869 |

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

4. Income from charitable activities

| | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ |
|----------------------------|--|--|---------------------------------------|
| Charity incoming resources | 8,162 | 10,515 | 18,677 |

| | <i>Restricted funds 2020 £</i> | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
|----------------------------|--|--|---------------------------------------|
| Charity incoming resources | 36,961 | 42,046 | 79,007 |

5. Investment income

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|---------------|--|---------------------------------------|
| Bank interest | 15 | 15 |

| | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
|---------------|--|---------------------------------------|
| Bank interest | 1,311 | 1,311 |

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

6. Other incoming resources

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|------------------------|--|-----------------------------------|
| Furlough grant income | 50,365 | 50,365 |
| | <u>50,365</u> | <u>50,365</u> |
| | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
| Other operating income | 64,934 | 64,934 |
| | <u>64,934</u> | <u>64,934</u> |

7. Analysis of expenditure on charitable activities

Summary by fund type

| | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ |
|------------------------------------|--|--|-----------------------------------|
| Direct costs charitable activities | 10,474 | 1,099,335 | 1,109,809 |
| | <u>10,474</u> | <u>1,099,335</u> | <u>1,109,809</u> |
| | <i>Restricted funds 2020 £</i> | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
| Direct costs charitable activities | 36,190 | 1,593,558 | 1,629,748 |
| | <u>36,190</u> | <u>1,593,558</u> | <u>1,629,748</u> |

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

8. Analysis of expenditure by activities

| | Support costs 2021 £ | Total funds 2021 £ |
|-----------------------|---|---------------------------------------|
| Charitable activities | 1,109,809 | 1,109,809 |

| | <i>Support costs 2020 £</i> | <i>Total funds 2020 £</i> |
|-----------------------|---|---------------------------------------|
| Charitable activities | 1,629,748 | 1,629,748 |

Analysis of support costs

| | Activities 2021 £ | Total funds 2021 £ |
|---------------|----------------------------------|---------------------------------------|
| Staff costs | 755,984 | 755,984 |
| Other Support | 183,543 | 183,543 |
| Trading rent | 170,282 | 170,282 |
| | 1,109,809 | 1,109,809 |

| | <i>Activities 2020 £</i> | <i>Total funds 2020 £</i> |
|---------------|----------------------------------|---------------------------------------|
| Staff costs | 744,922 | 744,922 |
| Other Support | 270,909 | 270,909 |
| Trading rent | 613,917 | 613,917 |
| | 1,629,748 | 1,629,748 |

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

9. Auditor's remuneration

| | 2021 £ | <i>2020</i> £ |
|--|------------------|------------------|
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 15,000 | <i>16,000</i> |

10. Staff costs

| | Group 2021 £ | <i>Group 2020</i> £ | Company 2021 £ | <i>Company 2020</i> £ |
|--|----------------------------|----------------------------|------------------------------|------------------------------|
| Wages and salaries | 773,791 | <i>918,807</i> | 691,219 | <i>703,461</i> |
| Social security costs | 65,950 | <i>70,034</i> | 57,636 | <i>57,953</i> |
| Contribution to defined contribution pension schemes | 120,295 | <i>104,804</i> | 117,682 | <i>101,210</i> |
| | 960,036 | <i>1,093,645</i> | 866,537 | <i>862,624</i> |

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

| | Group 2021 No. | <i>Group 2020</i> No. |
|-----------|------------------------------|------------------------------|
| Full time | 30 | <i>34</i> |
| Students | 40 | <i>86</i> |
| | 70 | <i>120</i> |

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

10. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | Group 2021 No. | <i>Group 2020 No.</i> |
|---------------------------------|-------------------------------|-------------------------------|
| In the band £60,001 - £70,000 | 1 | - |
| In the band £70,001 - £80,000 | - | 1 |
| In the band £100,001 - £110,000 | - | 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 £179,008 (2020: £184,688). Of this, £71,643 (2020: £90,711) 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

11. Tangible fixed assets

Group

| | Plant and machinery £ | Motor vehicles £ | Office equipment £ | Total £ |
|--------------------------|-----------------------------|------------------------|--------------------------|------------|
| Cost or valuation | | | | |
| At 1 August 2020 | 249,490 | 20,580 | 606,609 | 876,679 |
| Additions | - | - | 15,703 | 15,703 |
| Disposals | (173,760) | - | (184,126) | (357,886) |
| At 31 July 2021 | 75,730 | 20,580 | 438,186 | 534,496 |
| Depreciation | | | | |
| At 1 August 2020 | 227,485 | 20,580 | 578,629 | 826,694 |
| Charge for the year | 9,509 | - | 21,133 | 30,642 |
| On disposals | (166,460) | - | (183,899) | (350,359) |
| At 31 July 2021 | 70,534 | 20,580 | 415,863 | 506,977 |
| Net book value | | | | |
| At 31 July 2021 | 5,196 | - | 22,323 | 27,519 |
| At 31 July 2020 | 22,005 | - | 27,980 | 49,985 |

Company

| | Plant and machinery £ | Motor vehicles £ | Office equipment £ | Total £ |
|--------------------------|-----------------------------|------------------------|--------------------------|------------|
| Cost or valuation | | | | |
| At 1 August 2020 | 249,490 | 20,580 | 606,609 | 876,679 |
| Additions | - | - | 15,703 | 15,703 |
| Disposals | (173,760) | - | (184,126) | (357,886) |
| At 31 July 2021 | 75,730 | 20,580 | 438,186 | 534,496 |

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Tangible fixed assets (continued)

Company (continued)

| | Plant and machinery £ | Motor vehicles £ | Office equipment £ | Total £ |
|-----------------------|-----------------------------|------------------------|--------------------------|----------------|
| Depreciation | | | | |
| At 1 August 2020 | 227,485 | 20,580 | 578,629 | 826,694 |
| Charge for the year | 9,509 | - | 21,133 | 30,642 |
| On disposals | (166,460) | - | (183,899) | (350,359) |
| At 31 July 2021 | <u>70,534</u> | <u>20,580</u> | <u>415,863</u> | <u>506,977</u> |
| Net book value | | | | |
| At 31 July 2021 | <u>5,196</u> | <u>-</u> | <u>22,323</u> | <u>27,519</u> |
| At 31 July 2020 | <u>22,005</u> | <u>-</u> | <u>27,980</u> | <u>49,985</u> |

12. Fixed asset investments

| | Investments in subsidiary companies £ |
|--------------------------|---|
| Company | |
| Cost or valuation | |
| At 1 August 2020 | 1 |
| At 31 July 2021 | <u>1</u> |
| Net book value | |
| At 31 July 2021 | 1 |
| At 31 July 2020 | <u>1</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Stocks

| | Group 2021 £ | <i>Group 2020 £</i> |
|-------------------------------------|-----------------------------|-----------------------------|
| Finished goods and goods for resale | 23,356 | 27,454 |

14. Debtors

| | Group 2021 £ | <i>Group 2020 £</i> | Company 2021 £ | <i>Company 2020 £</i> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Due within one year | | | | |
| Trade debtors | 553 | 6,653 | 298 | 639 |
| Amounts owed by group undertakings | - | - | 47,241 | 39,321 |
| Other debtors | 25,257 | 52,243 | 22,001 | 22,379 |
| Prepayments and accrued income | 24,226 | 58,449 | 18,946 | 16,463 |
| | 50,036 | 117,345 | 88,486 | 78,802 |

15. Creditors: Amounts falling due within one year

| | Group 2021 £ | <i>Group 2020 £</i> | Company 2021 £ | <i>Company 2020 £</i> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade creditors | 24,503 | 50,013 | 17,175 | 46,303 |
| Other taxation and social security | 16,300 | 13,840 | 16,300 | 13,840 |
| Other creditors | 101,072 | 98,902 | 25,027 | 20,232 |
| Accruals and deferred income | 54,354 | 78,897 | 45,303 | 71,637 |
| | 196,229 | 241,652 | 103,805 | 152,012 |

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Financial instruments

| | Group 2021 £ | <i>Group 2020 £</i> | Company 2021 £ | <i>Company 2020 £</i> |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Financial assets | | | | |
| Financial assets measured at fair value through income and expenditure | 529,752 | <i>406,921</i> | 505,151 | <i>383,277</i> |

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

17. Statement of funds

Statement of funds - current year

| | Balance at 1 August 2020 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2021 £ |
|---------------------------|-------------------------------------|------------------|--------------------|-------------------------|---------------------------------|
| Unrestricted funds | | | | | |
| General Funds - all funds | (630,114) | 1,455,297 | (1,378,604) | (448,990) | (1,002,411) |
| Restricted funds | | | | | |
| Societies | 52,900 | 8,162 | (7,961) | - | 53,101 |
| Other | 22,470 | - | (2,513) | - | 19,957 |
| | 75,370 | 8,162 | (10,474) | - | 73,058 |
| Total of funds | (554,744) | 1,463,459 | (1,389,078) | (448,990) | (929,353) |

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Statement of funds - prior year

| | <i>Balance at 1 August 2019 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 July 2020 £</i> |
|---------------------------------|---|---------------------|--------------------------|-----------------------------------|----------------------------------|--|
| Unrestricted funds | | | | | | |
| Designated funds | | | | | | |
| Capital Grants Fund | 4,080 | - | - | (4,080) | - | - |
| General funds | | | | | | |
| General Funds - all funds | (555,753) | 2,528,199 | (2,413,919) | 4,080 | (192,721) | (630,114) |
| Total Unrestricted funds | (551,673) | 2,528,199 | (2,413,919) | - | (192,721) | (630,114) |
| Restricted funds | | | | | | |
| Societies | 45,981 | 36,961 | (30,042) | - | - | 52,900 |
| Other | 14,518 | 14,100 | (6,148) | - | - | 22,470 |
| | 60,499 | 51,061 | (36,190) | - | - | 75,370 |
| Total of funds | (491,174) | 2,579,260 | (2,450,109) | - | (192,721) | (554,744) |

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Summary of funds

Summary of funds - current year

| | Balance at 1 August 2020 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2021 £ |
|------------------|-------------------------------------|------------------|--------------------|-------------------------|---------------------------------|
| General funds | (630,114) | 1,455,297 | (1,378,604) | (448,990) | (1,002,411) |
| Restricted funds | 75,370 | 8,162 | (10,474) | - | 73,058 |
| | <u>(554,744)</u> | <u>1,463,459</u> | <u>(1,389,078)</u> | <u>(448,990)</u> | <u>(929,353)</u> |

Summary of funds - prior year

| | Balance at 1 August 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 July 2020 £ |
|------------------|-------------------------------------|------------------|--------------------|--------------------------|-------------------------|---------------------------------|
| Designated funds | 4,080 | - | - | (4,080) | - | - |
| General funds | (555,753) | 2,528,199 | (2,413,919) | 4,080 | (192,721) | (630,114) |
| Restricted funds | 60,499 | 51,061 | (36,190) | - | - | 75,370 |
| | <u>(491,174)</u> | <u>2,579,260</u> | <u>(2,450,109)</u> | <u>-</u> | <u>(192,721)</u> | <u>(554,744)</u> |

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ |
|--|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets | - | 27,519 | 27,519 |
| Current assets | 73,058 | 530,086 | 603,144 |
| Creditors due within one year | - | (196,229) | (196,229) |
| Provisions for liabilities and charges | - | (1,363,787) | (1,363,787) |
| Total | <u>73,058</u> | <u>(1,002,411)</u> | <u>(929,353)</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | <i>Restricted funds 2020 £</i> | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
|--|--|--|---------------------------------------|
| Tangible fixed assets | - | 49,985 | 49,985 |
| Current assets | 75,370 | 476,350 | 551,720 |
| Creditors due within one year | - | (241,652) | (241,652) |
| Provisions for liabilities and charges | - | (914,797) | (914,797) |
| Total | <u>75,370</u> | <u>(630,114)</u> | <u>(554,744)</u> |

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

| | Group 2021 £ | <i>Group 2020 £</i> |
|--|-----------------------------|-----------------------------|
| Net income for the year (as per Statement of Financial Activities) | <u>74,381</u> | <u>129,151</u> |
| Adjustments for: | | |
| Depreciation charges | 30,642 | 65,663 |
| Profit on the sale of fixed assets | (8,038) | (676) |
| Decrease in stocks | 4,098 | 1,037 |
| Decrease in debtors | 67,309 | 92,073 |
| Decrease in creditors | (45,423) | (52,770) |
| Net cash provided by operating activities | <u>122,969</u> | <u>234,478</u> |

21. Analysis of cash and cash equivalents

| | Group 2021 £ | <i>Group 2020 £</i> |
|--|-----------------------------|-----------------------------|
| Cash in hand | 529,752 | 406,921 |
| Total cash and cash equivalents | <u>529,752</u> | <u>406,921</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of changes in net debt

| | At 1 August 2020 £ | Cash flows £ | At 31 July 2021 £ |
|--------------------------|--------------------------|-----------------|-------------------------|
| Cash at bank and in hand | 406,921 | 122,831 | 529,752 |
| | <u>406,921</u> | <u>122,831</u> | <u>529,752</u> |

23. Pension commitments

The group operates a defined contribution 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 £26,484 (2020- £20,503).

The Union participated 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. This scheme is now closed to new members.

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, extended by another 4 years by the 2016 and 2019 valuations. The pension provision is the net present valuation of the expected contributions to the scheme deficit to 31 October 2035.

24. Operating lease commitments

At 31 July 2021 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Not later than 1 year | 273,222 | 280,300 | 70,308 | 77,386 |
| Later than 1 year and not later than 5 years | 1,091,655 | 996,969 | 280,000 | 286,771 |
| Later than 5 years | 1,027,488 | 1,381,478 | 215,833 | 350,000 |
| | <u>2,392,365</u> | <u>2,658,747</u> | <u>566,141</u> | <u>714,157</u> |

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25. 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 £1,187,760 (2020: £1,176,000). During the year the Union received an accommodation grant of £170,283 (2020: £613,919) to cover the rental payments due on the Forum & Hutton buildings. Transactions through the year resulted in a trading balance of £91 (2020: £2,154) 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 (2020: £Nil) was levied on this company. The balance owed to the Union at 31 July 2021 was £47,241 (2020: £39,321).

26. Principal subsidiaries

The following was a subsidiary undertaking of the Company:

| Name | Company number | Class of shares | Holding |
|----------------------|-----------------------|------------------------|----------------|
| UHSU Enterprises Ltd | 06666418 | Ordinary | 100% |

The financial results of the subsidiary for the year were:

| Name | Income £ | Expenditure £ | Profit/(Loss) / Surplus/ (Deficit) for the year £ | Net assets £ |
|----------------------|---------------------|--------------------------|--|-------------------------|
| UHSU Enterprises Ltd | 84,114 | 167,032 | (82,918) | (82,917) |