



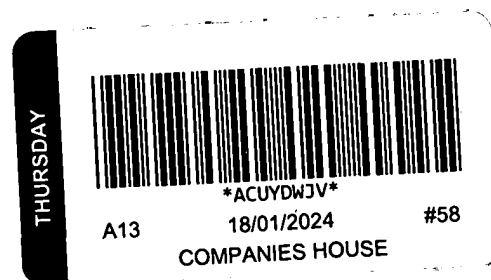
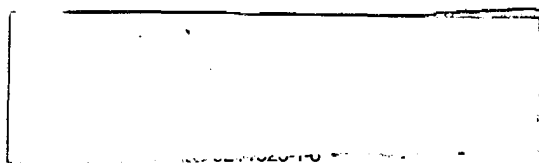
**Smailes Goldie Group**  
CREATING ADVANTAGE



# **Hull University Union Limited**

## **Annual Report and Financial Statements**

**31 July 2023**



# **Hull University Union Limited**

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## **Hull University Union Limited**

### **Reference and Administrative Details**

<b>Chair</b>	S Webb, External Trustee
<b>Chief Executive Officer</b>	Jane Stafford
<b>Secretary</b>	Jane Stafford
<b>Senior Management / Leadership Team</b>	Jane Stafford, Chief Executive Officer Andy King, Commercial Services Director Nicole Steele, Membership Services Director Kevin Pearson, Finance and HR Director
<b>Charity Registration Number</b>	1152549
<b>Company Registration Number</b>	08475916
	The charity is incorporated in England.
<b>Registered Office</b>	Student Central Cottingham Road Hull HU6 7RX
<b>Auditor</b>	Smailes Goldie Group Regent's Court Princess Street Hull HU2 8BA
<b>Solicitors</b>	Barrass Whiting LLP The Deep Business Centre Tower Street Hull HU1 4BG  Rollits LLP Citadel House 58 High Street Hull HU1 1QE

# Hull University Union Limited

## Trustees' Report

The Trustees of Hull University Union Limited (HUSU) are pleased to present their annual trustees' report together with the audited consolidated financial statements of the charity and its subsidiary for the year ended 31 July 2023. In this regard, the Trustees have considered the requirements of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

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

### The Board of Trustees

#### Student President and Trustees

President Education

President of Opportunities

President Inclusivity & Diversity

President of Union Development

(to 14.07.23)

Peace Igi-Ehon

Muhammad Sohaib Hameed (to 14.03.23)

Olatomide Fadipe (to 28.03.23)

Huseyin Arslan

(from 14.07.23)

Chloe Fenton

Ebenezer Aniemeka

Lilly-Jane Rockett

Raji Ibrahim Bamidele

#### Student Trustees

Chinonyelum Udemu (to 17.01.23)

Abdulguddus Sotayo (to 12.09.22)

Matthew Lloyd

Scott Barrett-Smith (from 24.01.23)

Oluwafemi Rahmon (from 24.01.23 to 14.07.23)

Oluwabukola Shaba (from 24.01.23 to 14.07.23)

#### External Trustees

Sara Webb (Chair)

Gaius Powell (to 01.08.23)

Alan Bolchover

Phillip Dolling

Helen Duncan (from 06.07.23)

HUSU employs Jane Stafford as Chief Executive, who works closely with the Student Presidents and Trustee Board to ensure effective governance and management of the organisation. The Chief Executive's senior direct reports include, Andy King (Commercial Services Director), Nicole Steele (Membership Services Director) and Kevin Pearson (Finance and HR Director).

### TRUSTEES' REPORT

The trustees (who are also directors of Hull University Union Limited (HUSU) for the purposes of company law) present their Annual Report for the year ending 31 July 2023 which includes the administrative information set out on page 1, together with the audited accounts for the year.

#### Structure, governance and management

##### *Nature of governing document*

HUSU's key governing documents are the Articles of Association and the ByeLaws. The ByeLaws provide for the conduct of Union affairs and the implementation of Union democracy and policy and are interpreted in such a manner as not to conflict with Articles of Association. The Articles of Association were last updated following a successful referendum in October 2019.

Union Council may consider any matters affecting the interests of students at the University. Union Council's major role is to make change via motions and scrutinise and hold to account elected presidents (Sabbatical Trustees). The decisions of Council are subordinate to those made by referenda or the Board of Trustees.

Prior to 2013, HUSU operated as an unincorporated association formed under the Education Act 1994 for many years. On 5 April 2013 Hull University Union was incorporated as a charitable company (company number 8475916, charity number 1152549). On 1 August 2013 the charitable company took over the activities and operations of a connected unincorporated charity called Hull University Union. The primary aim of HUSU is the advancement of the education of students at the University of Hull for the public benefit.

## **Hull University Union Limited**

### **Trustees' Report**

HUSU established a wholly owned subsidiary company, HUSU Services Ltd, on 14th January 2000 (company number 3906837). HUSU and its subsidiary company comprise "the Group". HUSU carries out the charitable activities and the trading activities are carried out through the subsidiary company. The main activities of the trading subsidiary are the operations of the bars, food outlets, entertainment, and the retail shops of HUSU. The subsidiary has the same year end of 31 July 2023.

#### ***Recruitment and appointment of trustees***

The Board of Trustees are responsible for the strategic direction, governance and sustainability of HUSU. The Board is made up of four President Trustees, four Student Trustees and four External Trustees. The President Trustees are elected by a secret ballot by the members each year; they are able to serve a second term in office of a further year if re-elected. The Student Trustees are selected via a recruitment and interview process and following a simple majority vote of a panel made up from the Appointments, Governance and Development Committee. The External Trustees are recruited to the Board through an interview process to bring a wider perspective and skill set from outside HUSU. A term for an External Trustee is up to three years, and they may serve for up to two terms.

#### ***Induction and training of trustees***

Upon appointment all trustees receive two detailed training sessions led by the Chief Executive and Finance and HR Director, Supported by a Charity Solicitor and Auditor each of around three hours. A Trustee handbook provides a detailed overview and access to relevant policies. The Trustees also have an online reading room, past papers for both Board and Committee meetings are available along with useful articles and weblinks. Trustees are briefed on their legal obligations and other trustee responsibilities. The President Trustees and some Student Trustees are new to the Board each year unless re-elected for a second year and they all undergo a range of training to support their unique roles in addition to the training set out above.

President training covers all aspects of their roles including strategy, operational planning and governance, the HUSU Articles and Bye-laws, their legal responsibilities as trustees, key issues and decisions that have been made by the Board of Trustees and services provided to the members. A number of training sessions are given over the summer vacation period alongside induction sessions with the University complemented by specific role training provided by external trainers.

#### ***Organisational structure***

The Finance and Human Resources Committee reviews HUSU's finances, human resources, risks, and compliance with all relevant legislation and other matters that could affect HUSU's future performance. The Committee reviews audit work and scrutinises the annual accounts, financial performance and annual budget. It also scrutinises the future financial and HR strategies.

The Appointments and Governance Development Committee is responsible for monitoring and improving all governance at HUSU. It is also responsible for ensuring that new trustees are effectively recruited and inducted and that appropriate training and development is planned and undertaken by all Trustees. It is also responsible for recruiting the CEO.

The Membership Participation and Inclusion Committee is responsible for overseeing, reviewing and making recommendations to the Board on matters relating to Student engagement, participation, equality, diversity and inclusion. All Presidents sit on this committee.

# **Hull University Union Limited**

## **Trustees' Report**

### **The Senior Leadership Team**

The Chief Executive is supported by three Directors that form the Senior Leadership Team. This team provides the executive management of HUSU, and HUUS Ltd managing the group's activities, providing leadership to staff and ensuring that the Boards and committees are fully informed on all aspects of the organisation.

### **Relationships with related parties**

#### **University of Hull**

Under the Education Act 1994, the University of Hull has a statutory duty to take such steps as are reasonably practicable to ensure that HUSU operates in a fair and democratic manner and is held to proper account for its finances. HUSU works in partnership with the University of Hull in ensuring that the affairs of HUSU are properly conducted and that the educational and welfare needs of HUSU's members are met. The formal relationship with the University is governed by the Code of Practice which is reviewed regularly.

The Partnership Agreement is reviewed by both parties annually. The agreement establishes a joint set of operating principles and provides the terms of reference for a Partnership Committee with members from the University Leadership team and the Union Presidents, Leadership team and a Trustee.

### **Risk Management**

The Trustees fulfil their role in assessing the risks that face HUSU. The Board has responsibility for overseeing risk management as a whole and uses the following approach to risk:

- There is an open and receptive approach to solving risk problems adopted by the Board and its Committees.
- HUSU makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.
- All staff are responsible for encouraging good risk management practice within their areas of work.
- Key risks are identified by the Board and key employees and will be closely monitored on a regular basis.

HUSU uses a dynamic approach towards its risk register. It is updated on a quarterly basis and is reviewed by the Finance Audit and Human Resources Committee overall, with each of the remaining committees focusing on their key areas of risk and mitigation. This approach feeds any issues and actions being undertaken to the Board of Trustees and into the Board of HUU Services Ltd.

The focus during the year has been on continuing to mitigate risks associated with HUSU's finances with a reliance on the return from our commercial operations and the grant from the University of Hull. Our commercial services had a good year this year as can be seen in the Finance Report. The University grant increased to £1.47m in 2022/23 from £1.4m in 2021/22. There continues to be a risk of increases in pension costs and liabilities associated with the Universities Superannuation Scheme although the Trustees of the scheme have indicated an improving position for the 2023 valuation.

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

# **Hull University Union Limited**

## **Trustees' Report**

### **Objectives and Activities**

The objectives of HUSU is the advancement of the education of students at the University of Hull. HUSU achieves this by:

- Promoting the interests and welfare of students at the University of Hull during their course of study and representing, supporting and advising Members.
- Being the recognised representative channel between students and the University and any other external bodies.
- Providing cultural, sporting, social and recreational activities, opportunities to volunteer in the community and forums for discussion and debate for the personal development of its Members.
- Providing opportunities to develop future employability skills through employment in HUSU's venues.

### **Achievements and Performance**

This year, surveying of members to monitor HUSU's progress against KPIs took place through the Alterline Student Life Pulse Survey. 1,821 students completed the survey between October 2022 and June 2023 which provided a wealth of data about the student experience, engagement with and knowledge of the Students' Union and the range of services and activities provided.

**Student groups** – At their peak during this year, a choice of 53 sports clubs and 91 societies offered a diverse range of opportunities for students to develop their skills, interests and socialise. 5126 students registered to join a HUSU student group or get involved in student-led or community volunteering during the year, a growth in student engagement compared with the previous year. There are some student groups and student-led volunteering projects which have continued to remain inactive due to the impact of the pandemic.

The Student Opportunities team is made up of staff and students and provides support and assistance in the safe running of activities including health and safety, recruitment and finance including fundraising and development.

**Student Voice and Influence** – Elections were held in March 2023 for the four President positions and for the voluntary role of Chair of Union Council and attracted a healthy number of students interested in running for a position – 37 individuals expressed initial interest, which then reduced to 17 candidates for President roles and 2 candidates for Chair of Council. Unfortunately, a number of candidates were found to have breached the election rules including tampering with other students' votes, causing the Returning Officer to declare the first voting period as null and void and four candidates being disqualified with several others withdrawing from the process. A second ballot was held with 697 students casting 5,093 votes and was declared fair. This experience prompted a review of HUSU's democracy in spring/summer 2023 which will have an impact on 2023/24 and beyond. Elections for volunteer Student Representatives were very popular in October 2022, with a high proportion of international postgraduate taught student candidates. The Student Voice and Influence team is made up of staff and students working to improve the academic experience for all students and leads on all democratic activities of the Union including facilitating Union Council and providing support and training and assistance in the elections and by-elections and referendum activity.

The Advice Centre has maintained its extended opening hours of 10am-5pm throughout the year and offers pre-bookable appointments to students needing advice on a wide range of topics including housing, finance, academic appeals and benefits. 1414 students were supported through the service, which is broadly in line with the previous years' service levels. Advisors have also supported students to access an additional £382,551 over the past year through a range of sources including benefits, grants and bursaries. This is an increase of 58.6% on the funds unlocked for students through the Advice Centre in 2021-22.

**Catering outlets, Licenced Premises and Events** – HUSU has 2 licenced premises; Sanctuary bar and Asylum night club. Both venues operate as JD Wetherspoon outlets under a franchise agreement. Sanctuary bar is the main student union bar which provides the full Wetherspoon experience, including extensive food menu daily (8am – 11pm), customer food and drink app and their famous club deals including curry club, steak club and fish Fridays. Sanctuary bar also has SKY & TNT Sport, darts and pool tables and a large outdoor beer garden for customers to use club and fish Fridays. Sanctuary bar also has SKY & TNT Sport, darts and pool tables and a large outdoor beer garden for customers to use.

## **Hull University Union Limited**

### **Trustees' Report**

Asylum night club hosts the city's largest student night 'Tower' every Wednesday and has regular live events and entertainment acts at other times throughout the year. The venue also holds weekly quiz and karaoke events for students' during term time and Bongo Bingo once a week throughout the year. The venues are also used to host large scale student events including Freshers in September and end of year celebrations at the end of May.

Shop – HUSU operate a full convenience store complete with bakery under a purchase only agreement with SPAR. The store also includes a University of Hull clothing range and full stationery offer.

#### **FINANCIAL REVIEW**

##### **Summary of the Year**

There has been an overall positive net movement in funds of £1k compared to a negative movement of £526k in 2022. Total income for the year was £6.45m compared to £5.29m in 2022. The University subvention was £1.47m compared to £1.4m in 2022. Our commercial operation had a very successful year with sales at £4.62m compared to £3.53m in 2022. Total expenditure was £6.41m compared to £5.84m in 2022.

The Trustees have recognised a requirement to hold free reserves as a contingency to protect the day to day and short-term financial stability of the organisation. This may occur if there is a one off or series of events that threatens our key income sources. The policy, reviewed in July 2023, is to hold £1.2m of free reserves to meet 6 months of operating costs of the group to recover, allow the organisation to manage the impact of a reduction in income and put plans in place to ensure that financial sustainability is maintained. Annually, the Trustees will assess the need to designate some of the free reserves to invest in projects to deliver the strategic plan. The reserves position as at 31st July 2023 is £2.07m of which £574k is allocated to tangible fixed assets leaving £1.49m of free reserves.

##### **Investment policy and objectives**

The Chief Executive is authorised to make short and medium-term investments, consistent with the objectives of the Union stated above. Long term investments are to be made on the advice of a Manager who is regulated under the terms of the Financial Services Act 1986. The Trustees are responsible for appointing a Manager.

Any decisions by the Trustees to invest must be centred on the interests of HUSU and not of the Trustees. Trustees may not exclude, to the financial detriment of HUSU, a particular range or class of investments in order to give effect to some moral, political, social, environmental or ethical belief held by the Trustees but not directly related to the interests of the Union.

##### **Plans for future periods**

Over the next 12 months, the Board of Trustees will lead on the development of a revised strategy taking HUU to 2030, which will be launched at the start of 2024-25 Academic year. Over the course of the next 12 months HUU will also co-create and deliver several pilot schemes with students aimed at improving student engagement, and democracy. The ongoing President reform work will be taken through a series of workshops, Union Council and ultimately the Board to agree any changes to the team format. In the student opportunities space, there will be a keen focus on increasing the number of Academic Societies and transforming the student-led Athletic Union.



# **Hull University Union Limited**

## **Trustees' Report**

### **Vision**

By 2025, we want to be a sector-leading Students' Union in both academic and non-academic representation for our members. We will have a flexible and adaptable offer, which creates high levels of sustained participation across our student community.

### **Values**

The values underpin the vision and are a demonstration of the culture and approach we strive for at the Union. These were refreshed in consultation with staff and students during the 2019-20 academic year:

**Inclusive:** We actively support Equality and Diversity, we adapt our services to reflect and meet the evolving needs of our members.

**Innovative:** We look to the future, seeking new opportunities, collaborations and partnerships; we are imaginative, creative and progressive.

**Positive:** We continually work to improve your Union, we are confident, optimistic and solution focused.

**Fun:** We focus on making your time at University as enjoyable as possible.

**Supportive:** We listen, look out for your best interests and make sure your voice is heard.

There are four Key Objectives that create the cornerstones of the strategy, these are:

Being sustainable and secure, that Students know who we are, what we do and trust us, that we are effective at making change and are known as change makers and finally that we are part of the student, University and City Communities.

During the coming year, the Students' Union will focus on raising student engagement across all of the Student Union activities, making our services more visible and accessible to members. We have seen improvements to our social space and our commercial areas during prior to the end of the last financial year these will be completed by mid-November 2022. A key focus will be to ensure these spaces are well utilised and meet the needs of our members.

Our President of Union Development is focused on ensuring we have a robust mental health support plan in place, using the Student Minds SU mental health Framework. The Union is also working with the University of Hull as they progress towards achieving the Mental Health Charter.

# Hull University Union Limited

## Trustees' Report

### Statement of trustees' responsibilities

The trustees (who are also the directors of Hull University Union Limited 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 parent charitable company and the group and of the incoming resources and application of resources, including its 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

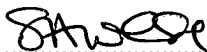
The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

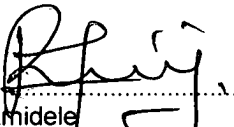
### Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 30 November 2023 and signed on its behalf by:



S. Webb  
Chair and Trustee



R. Barnidele  
President of Union Development and Trustee

## **Report of the Independent Auditors to the Members of Hull University Union Limited**

### **Opinion**

We have audited the financial statements of Hull University Union Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 July 2023, which comprise the and , including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 parent charity's affairs as at 31 July 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 UK, including the FRC'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 ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

### **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 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.

## **Report of the Independent Auditors to the Members of Hull University Union Limited**

### **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 and for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the and 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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.

## **Report of the Independent Auditors to the Members of Hull University Union Limited**

### **Auditor responsibilities for the audit of the financial statements (continued)**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the charity only and consolidated financial statements or the operations of the charitable company and the group, including the Companies Act 2006, the Charities Act 2011, data protection, anti-bribery, employment and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the charitable company's and consolidated financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships; tested journal entries to identify unusual transactions; assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to agreeing charity only and consolidated financial statement disclosures to underlying supporting documentation; reading the minutes of meetings of those charged with governance; enquiring of management as to actual and potential litigation and claims; and reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

Due to 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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 Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

## **Report of the Independent Auditors to the Members of Hull University Union Limited**

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Luke Taylor BSc., ACA (Senior Statutory Auditor)  
for and on behalf of Smailes Goldie Group  
Regent's Court  
Princess Street  
Hull  
East Yorkshire  
HU2 8BA

## Hull University Union Limited

### Consolidated Statement of Financial Activities for the Year Ended 31 July 2023 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Unrestricted fixed asset funds £	Total 2023 £	Total 2022 £
<b>Income and Endowments from:</b>					
Donations and legacies	3	1,484,993	-	1,484,993	1,428,349
Charitable activities	4	300,002	-	300,002	250,743
Other trading activities	5	4,617,928	-	4,617,928	3,533,470
Investment income	6	49,775	-	49,775	32,722
Other income	8	962	-	962	39,232
Total income		6,453,660	-	6,453,660	5,284,516
<b>Expenditure on:</b>					
Raising funds		(4,175,519)	-	(4,175,519)	(3,340,637)
Charitable activities	9	(2,076,667)	(159,025)	(2,235,692)	(2,493,944)
Total expenditure		(6,252,186)	(159,025)	(6,411,211)	(5,834,581)
Gains/losses on investment assets		(41,256)	-	(41,256)	24,228
Net income/(expenditure)		160,218	(159,025)	1,193	(525,837)
Transfers between funds		(525,607)	525,607	-	-
Net movement in funds		(365,389)	366,582	1,193	(525,837)
<b>Reconciliation of funds</b>					
Total funds brought forward		1,859,400	207,488	2,066,888	2,592,724
Total funds carried forward 21		1,494,011	574,070	2,068,081	2,066,887


All of the group's activities derive from continuing operations during the above two periods.

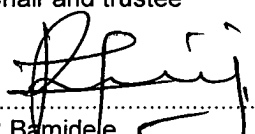
The funds breakdown for 2022 is shown in note 21.

**Hull University Union Limited**  
**(Registration number: 08475916)**  
**Consolidated Balance Sheet as at 31 July 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	13	574,070	207,488
Investments	14	1,325,759	1,302,580
		<u>1,899,829</u>	<u>1,510,068</u>
<b>Current assets</b>			
Stocks	15	115,621	99,138
Debtors	16	69,024	59,992
Cash at bank and in hand		866,265	1,342,390
		<u>1,050,910</u>	<u>1,501,520</u>
<b>Creditors: Amounts falling due within one year</b>	17	<u>(441,314)</u>	<u>(456,720)</u>
<b>Net current assets</b>		609,596	1,044,800
<b>Total assets less current liabilities</b>		2,509,425	2,554,868
<b>Provisions</b>	19	<u>(441,346)</u>	<u>(487,981)</u>
<b>Net assets</b>		<u>2,068,079</u>	<u>2,066,887</u>
<b>Funds of the group:</b>			
<b>Unrestricted income funds</b>			
Unrestricted Fixed Asset Funds		574,070	207,488
General Funds		1,494,009	1,859,399
<b>Total funds</b>	21	<u>2,068,079</u>	<u>2,066,887</u>

The financial statements on pages 11 to 32 were approved by the trustees, and authorised for issue on 30 November 2023 and signed on their behalf by:

  
 S. Webb  
 Chair and trustee

  
 R. Bamidele  
 President of Union Development and Trustee

The notes on pages 16 to 33 form an integral part of these financial statements.

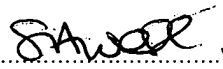


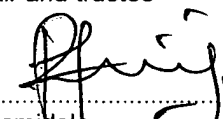
# Hull University Union Limited

(Registration number: 08475916)  
Balance Sheet as at 31 July 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	13	574,070	207,488
Investments		1,325,761	1,302,582
		<u>1,899,831</u>	<u>1,510,070</u>
<b>Current assets</b>			
Debtors	16	97,122	96,225
Cash at bank and in hand		540,172	1,114,907
		<u>637,294</u>	<u>1,211,132</u>
<b>Creditors: Amounts falling due within one year</b>	17	<u>(130,070)</u>	<u>(150,809)</u>
<b>Net current assets</b>		<u>507,224</u>	<u>1,060,323</u>
<b>Total assets less current liabilities</b>		<u>2,407,055</u>	<u>2,570,393</u>
<b>Provisions</b>	19	<u>(320,049)</u>	<u>(362,506)</u>
<b>Net assets</b>		<u>2,087,006</u>	<u>2,207,887</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted Fixed Asset Funds		574,070	207,488
General Funds		<u>1,512,936</u>	<u>2,000,399</u>
<b>Total-unrestricted funds</b>		<u>2,087,006</u>	<u>2,207,887</u>
<b>Total funds</b>	21	<u>2,087,006</u>	<u>2,207,887</u>

The financial statements on pages 8 to 29 were approved by the trustees, and authorised for issue on 30 November 2023 and signed on their behalf by:

  
S. Webb  
Chair and trustee

  
R. Bamidele  
President of Union Development and Trustee

The notes on pages 16 to 33 form an integral part of these financial statements.

## Hull University Union Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 July 2023

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash expenditure		(48,582)	(558,559)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		150,938	93,827
Loss on disposal of tangible fixed assets		-	232,122
Movement on listed investments		(23,179)	4,321
		<u>79,177</u>	<u>(228,289)</u>
<b>Working capital adjustments</b>			
Increase in stocks	15	(16,483)	(7,025)
Increase in debtors	16	(9,032)	(31,640)
(Decrease)/increase in creditors	17	(15,407)	68,898
(Increase)/decrease in retirement benefit obligation net of actuarial changes	20	(46,635)	327,470
Net cash flows from operating activities		<u>(8,380)</u>	<u>129,414</u>
<b>Cash flows from investing activities</b>			
Interest received		8,590	690
Acquisitions of tangible assets		(517,520)	(201,230)
Proceeds from sale of investments		-	15,670
Dividend income		<u>41,185</u>	<u>32,032</u>
Net cash flows from investing activities		<u>(467,745)</u>	<u>(152,838)</u>
Net decrease in cash and cash equivalents		(476,125)	(23,424)
Cash and cash equivalents at 1 August		<u>1,342,390</u>	<u>1,365,814</u>
Cash and cash equivalents at 31 July		<u>866,265</u>	<u>1,342,390</u>

All of the cash flows are derived from continuing operations during the above two periods.

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

	2023 £	2022 £
Net movement in funds per consolidated statement of financial activity	(1,193)	525,837
Income from fixed asset investments	41,185	32,032
Interest receivable	<u>8,590</u>	<u>690</u>
<b>Cash flows from operating activities</b>	<u>48,582</u>	<u>558,559</u>

The notes on pages 16 to 33 form an integral part of these financial statements.

## **Hull University Union Limited**

### **Notes to the Financial Statements for the Year Ended 31 July 2023**

#### **1 Charity status**

The charity is limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The principal activity of the charitable company is to provide support and entertainment to the students of Hull University. The charitable company operates from its registered office.

The address of its registered office is:

Student Central  
Cottingham Road  
Hull  
HU6 7RX

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### **Basis of preparation**

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

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 July 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006.

## **Hull University Union Limited**

### **Notes to the Financial Statements for the Year Ended 31 July 2023**

#### **Going concern**

The trustees feel that the charitable company is well placed to negotiate the unique set of conditions currently facing the UK economy and has recovered well since the restrictions from the pandemic were fully lifted. The charitable company's current level of cash and investments is in a good position and they could be liquidised should it be necessary.

In addition to this, given the strong net asset position, cash balance and confirmed subvention for the year ended 31 July 2024, the trustees consider it reasonable that the charitable company will be able to pay its debts and known committed costs as they fall due for at least 12 months from the date of approval of these financial statements.

After consideration of all factors, the trustees continue to adopt the going concern basis in preparing the financial statements.

#### **Income**

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

#### ***Voluntary income***

Voluntary income is received by way of grants, donations and gifts and is included in full in the SOFA when receivable.

#### ***Grants receivable***

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released. Where entitlement occurs before income is received, the income is accrued.

#### ***Investment income***

Investment is recognised when receivable.

#### ***Income from charitable activities***

Incoming resources from charitable trading activities are accounted for when earned.

#### ***Income from subsidiary***

Administration charges, being rental income from H.U.U Services Limited, are recognised when they are due. Gift Aid income from H.U.U Services Limited is recognised annually when the calculation has been performed.

## **Hull University Union Limited**

### **Notes to the Financial Statements for the Year Ended 31 July 2023**

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably.

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

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

#### **Raising funds**

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

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.

#### **Charitable activities**

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 charitable company apportioned to charitable activities.

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

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

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

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 asset into its intended working condition should be included in the measurement of cost.

## Hull University Union Limited

### Notes to the Financial Statements for the Year Ended 31 July 2023

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Short-term leasehold property	Straight line over length of lease
Motor vehicles	Straight line basis of 5 years
Fixtures and fittings	Straight line basis between 3 - 10 years

#### Impairment of fixed assets

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.

#### Fixed asset investments

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

Investments in associates are accounted for at cost less impairment.

#### Stock

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

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

#### 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.

#### Cash and cash equivalents

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

## **Hull University Union Limited**

### **Notes to the Financial Statements for the Year Ended 31 July 2023**

#### **Creditors**

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

Liabilities are recognised at the amount that the charitable 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**

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, the provision is based on the present value of these amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is required in the Statement of Financial Activities as a finance cost.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees discretion 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

#### **Pensions and other post retirement obligations**

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

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

#### **Financial instruments**

##### ***Classification***

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 model.

## Hull University Union Limited

### Notes to the Financial Statements for the Year Ended 31 July 2023

#### Critical accounting estimates and areas of judgement

FRS102 makes the distinction between a group and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer.

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

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

A key judgement is a provision/accrual for future pension liabilities relating to the USS scheme. These reflect the known deficit contribution schedules to which the entity is due to pay in line with the agreement between the entity and the pension fund. The calculation of this judgement is dependent upon certain assumptions including the length of the deficit repayment scheme, 16 years, the discount applicable to the time value of future money 3.37% and salary increases 5%. This results in a liability on the balance sheet of £441,346 for the group. If the length of the deficit was increased by 1 year the liability would increase by £33,294 for the group. A change in salary increase variation of 1% would cause a change in liability of £36,509 for the group. A change in salary increase of 1% along with an increase of 1.63% for the discount rates would produce a decrease in liability of £21,866 for the group. Whilst acknowledging these alternative scenarios exist management are of the view that the assumptions applied reflect the known situation at the balance sheet date.

### 3 Income from donations and legacies

	Unrestricted funds General £	Total 2023 £
Donations and legacies;		
Hull University subvention grant	1,471,806	1,471,806
Grants, including capital grants;		
Other grant income	13,187	13,187
	1,484,993	1,484,993
	Unrestricted funds General £	Total 2022 £
Donations and legacies;		
Hull University subvention grant	1,400,000	1,400,000
Grants, including capital grants;		
Other grant income	28,349	28,349
	1,428,349	1,428,349



# Hull University Union Limited

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 4 Income from charitable activities

	Unrestricted funds General £	Total 2023 £
Charitable activities	300,002	300,002

	Unrestricted funds General £	Total 2022 £
Charitable activities	250,743	250,743

### 5 Income from other trading activities

	Unrestricted funds General £	Total 2023 £
Sales	4,617,928	4,617,928

	Unrestricted funds General £	Total 2022 £
Sales	3,533,470	3,533,470

### 6 Investment income

	Unrestricted funds General £	Total 2023 £
Income from dividends; Dividends from investments	41,185	41,185
Interest receivable and similar income; Bank interest received	8,590	8,590
	49,775	49,775

	Unrestricted funds General £	Total 2022 £
Income from dividends; Dividends from investments	32,032	32,032
Interest receivable and similar income; Bank interest received	690	690
	32,722	32,722

## Hull University Union Limited

### Notes to the Financial Statements for the Year Ended 31 July 2023

#### 7 Trading Activities - H.U.U Services Limited

##### H.U.U Services Limited - Trading

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

	2023 £	2022 £
Turnover	4,618,708	3,565,904
Other operating income	-	40,043
Charity trading cost of sales	(2,443,600)	(1,799,218)
Administrative expenses	(2,053,036)	(1,864,376)
<b>Net profit from trading activities</b>	<b>122,072</b>	<b>(57,447)</b>

	2023 £	2022 £
Net income from trading activities	443,190	265,220
Rent and fees paid to parent	(323,572)	(322,757)
Investment income	2,454	90
<b>Net profit prior to consolidation</b>	<b>122,072</b>	<b>(57,447)</b>

	2023 £	2022 £
Total assets	476,456	381,561
Total liabilities	(495,379)	(522,556)
Total equity	(18,923)	(140,995)

#### 8 Other income

	Unrestricted funds General £	Total 2023 £
Other incoming resources	962	962

	Unrestricted funds General £	Total 2022 £
Government grants	27,691	27,691
Other incoming resources	11,541	11,541
	39,232	39,232

Government grants received in the previous year consist of amounts received in relation to the Job retention scheme.

## Hull University Union Limited

### Notes to the Financial Statements for the Year Ended 31 July 2023

#### 9 Expenditure on charitable activities

	Unrestricted fixed asset fund £	Unrestricted fund £	Total 2023 £	Total 2022 £
Governance	-	69,906	69,906	79,822
Activities	-	218,125	218,125	201,424
Inclusivity and diversity	-	58,505	58,505	69,476
Sports	-	387,794	387,794	340,635
Education	-	186,828	186,828	174,944
Admin	161,771	1,155,510	1,317,281	1,395,520
Loss on sale of fixed assets	(2,746)	-	(2,746)	232,122
	<u>159,025</u>	<u>2,076,668</u>	<u>2,235,693</u>	<u>2,493,943</u>

#### 10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2023 £	2022 £
Auditor fees - audit services	13,250	13,000
Auditor fees - other non-audit services	2,000	2,000
Loss on disposal of fixed assets held for the group's own use	<u>(2,746)</u>	<u>232,122</u>

#### 11 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year, other than the internal trustees disclosed in the Staff costs note below.

No trustees have received any reimbursed expenses from the charity during the year.

## Hull University Union Limited

### Notes to the Financial Statements for the Year Ended 31 July 2023

#### 12 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
<b>Staff costs during the year were:</b>		
Wages and salaries	2,466,630	2,035,720
National insurance	135,409	169,370
Pension contributions	75,302	446,694
	<u>2,677,341</u>	<u>2,651,784</u>

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Charitable activities	19	17
Cost of generating funds	54	47
Management and administration of the union	14	17
	<u>87</u>	<u>81</u>

The number of employees whose emoluments fell within the following bands was:

	2023 No	2022 No
£70,001 - £80,000	1	1

The total employee benefits of the key management personnel of the group were £349,550 (2022 - £307,900).

#### Student officers remuneration

	2023 £	2022 £
P Igi-Ehon	21,468	20,262
H Arslan	20,534	2,767
O Fadipe	14,346	2,767
M S Habeeb	12,379	1,495
C Fenton	1,278	-
R I Bamidele	1,278	-
L-K Rockett	1,278	-
E Aneimeka	1,278	-
H Burton	-	13,416
P Bastiani	-	18,552
S Doherty	-	18,552
E Leonard	-	13,426
	<u>73,839</u>	<u>91,237</u>

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

## Hull University Union Limited

### Notes to the Financial Statements for the Year Ended 31 July 2023

#### 13 Tangible fixed assets

##### Group

	Land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 August 2022	3,148,553	679,821	3,828,374
Additions	447,520	70,000	517,520
At 31 July 2023	3,596,073	749,821	4,345,894
<b>Depreciation</b>			
At 1 August 2022	3,148,553	472,333	3,620,886
Charge for the year	55,940	94,998	150,938
At 31 July 2023	3,204,493	567,331	3,771,824
<b>Net book value</b>			
At 31 July 2023	391,580	182,490	574,070
At 31 July 2022	-	207,488	207,488

##### Charity

	Land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 August 2022	3,148,553	679,821	3,828,374
Additions	447,520	70,000	517,520
At 31 July 2023	3,596,073	749,821	4,345,894
<b>Depreciation</b>			
At 1 August 2022	3,148,553	472,333	3,620,886
Charge for the year	55,940	94,998	150,938
At 31 July 2023	3,204,493	567,331	3,771,824
<b>Net book value</b>			
At 31 July 2023	391,580	182,490	574,070
At 31 July 2022	-	207,488	207,488

# Hull University Union Limited

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 14 Fixed asset investments

#### Group and Charity

Other Investments	Listed investments £	Total £
<b>Cost or Valuation</b>		
At 1 August 2022	1,302,582	1,302,582
Revaluation	(17,210)	(17,210)
Additions	267,669	267,669
Disposals	(227,282)	(227,282)
At 31 July 2023	1,325,759	1,325,759
<b>Net book value</b>		
At 31 July 2023	1,325,759	1,325,759
At 31 July 2022	1,302,582	1,302,582

Analysis of investments:

	2023 £
<b>Analysis of investments</b>	
UK Equities and Unit Trusts	222,886
Global Equities and Unit Trusts	574,255
UK Government Bonds	150,565
International Bonds	74,023
Multi Asset Funds	44,820
Other	259,210
	1,325,759

	2023 £
<b>Investments exceeding 5% of market value of portfolio:</b>	
Vanguard S&P 500 UCITS ETF	67,558
Schroder Global Sustainable Growth	92,216
M&G Global Dividen Fund	85,511
Charities Property Fund	112,383

# Hull University Union Limited

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 14 Fixed asset investments (continued)

#### Charity

#### Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
<b>Cost</b>		
At 1 August 2022	2	2
At 31 July 2023	2	2
<b>Net book value</b>		
At 31 July 2023	2	2
At 31 July 2022	2	2

H.U.U. Services Limited is a subsidiary on the basis of dominant control, which is registered in England and Wales. H.U.U. Services Limited distributes all profits to Hull University Union Limited under Gift Aid arrangements. It's registered number is 03906837.

H.U.U. Services Limited is the only subsidiary of the charity and the charity owns 100% of the Ordinary share capital. The principal activity of the company is that of the operation of bars, fundraising events and the operation of the retail shop of Hull University Union Limited.

The profit for the financial period of H.U.U. Services Limited was £122,072 (2022 - £(57,447)) and the aggregate amount of capital and reserves at the end of the period was £(18,923) (2022 - £(140,995)).

### 15 Stock

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Stocks	115,621	99,138	-	-

#### Group

The cost of stock recognised as an expense in the year amounted to £2,443,600 (2022 - £1,799,218).

# Hull University Union Limited

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 16 Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	43,445	15,521	86,570	76,219
Prepayments	14,950	24,464	-	-
Accrued income	-	10,384	-	10,384
VAT recoverable	5,120	6,399	5,120	6,399
Other debtors	5,509	3,224	5,432	3,223
	<u>69,024</u>	<u>59,992</u>	<u>97,122</u>	<u>96,225</u>

### 17 Creditors: amounts falling due within one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	93,244	115,005	12,493	47,986
Other taxation and social security	150,481	172,185	22,885	20,859
Other creditors	619	15,970	542	5,125
Accruals	196,970	153,560	94,150	76,839
	<u>441,314</u>	<u>456,720</u>	<u>130,070</u>	<u>150,809</u>

### 18 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Within one year	202,000	202,000	202,000	202,000
In two to five years	808,000	808,000	808,000	808,000
In over five years	471,333	673,333	471,333	673,333
	<u>1,481,333</u>	<u>1,683,333</u>	<u>1,481,333</u>	<u>1,683,333</u>



## Hull University Union Limited

### Notes to the Financial Statements for the Year Ended 31 July 2023

#### 19 Provisions

##### Group

	Pension contributions provision £	Total £
At 1 August 2022	487,981	487,981
Utilised during the period	(46,635)	(46,635)
At 31 July 2023	441,346	441,346

##### Charity

	Pension contributions provision £	Total £
At 1 August 2022	362,506	362,506
Utilised during the period	(42,457)	(42,457)
At 31 July 2023	320,049	320,049

The key assumptions in calculating this provision include a discount rate of 3.4% and an estimated cost of living increase of 5%.

#### 20 Pension and other schemes

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

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

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

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

	2023	2022
Discount Rate	2.5%	2.5%
Pension salary growth	n/a	n/a
Pension increases (CPI)	1.5%	1.5%

## Hull University Union Limited

### Notes to the Financial Statements for the Year Ended 31 July 2023

#### 20 Pension and other schemes (continued)

The main demographic assumption used related to the mortality assumptions. These assumptions have been updated for the 31 March 2023 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation.

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

#### Mortality base table

##### Pre-Retirement:

2023: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.

2022: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.

##### Post-Retirement:

2023: 97.6% of SAPS S1 NMA 'light' for males and 102.7% of RFV00 for females.

2022: 97.6% of SAPS S1 NMA 'light' for males and 102.7% of RFV00 for females.

#### Future improvements to mortality

2023: CMI\_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

2022: CMI\_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

	2023	2022
Males currently aged 65 (years)	24.4	24.4
Females currently aged 65 (years)	25.9	25.9
Males currently aged 45 (years)	26.3	26.3
Females currently aged 45 (years)	27.7	27.7
	<b>2023</b>	<b>2022</b>
Scheme assets	£63.7bn	£63.7bn
Total scheme liabilities	£67.3bn	£67.3bn
FRS102 total scheme deficit	£3.6bn	£3.6bn
FRS102 total funding level	95%	95%

# Hull University Union Limited

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 21 Funds

#### Group

	Balance at 1 August 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 July 2023 £
<b>Unrestricted funds</b>						
General	1,859,400	6,453,660	(6,252,186)	(525,607)	(41,256)	1,494,011
Unrestricted fixed asset funds	207,488	-	(159,025)	525,607	-	574,070
<b>Total funds</b>	<b>2,066,888</b>	<b>6,453,660</b>	<b>(6,411,211)</b>	<b>-</b>	<b>(41,256)</b>	<b>2,068,081</b>

	Balance at 1 August 2021 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 July 2022 £
<b>Unrestricted funds</b>						
General	2,244,843	5,284,516	(5,508,632)	(185,556)	24,228	1,859,399
Unrestricted fixed asset funds	347,881	-	(325,949)	185,556	-	207,488
<b>Total funds</b>	<b>2,592,724</b>	<b>5,244,473</b>	<b>(5,834,581)</b>	<b>-</b>	<b>24,228</b>	<b>2,066,887</b>

# Hull University Union Limited

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 22 Analysis of net assets between funds Group

	Unrestricted funds £	Unrestricted fixed asset funds £	Total funds at 31 July 2023 £
Tangible fixed assets	-	574,070	574,070
Fixed asset investments	1,325,759	-	1,325,759
Current assets	1,050,910	-	1,050,910
Current liabilities	(441,314)	-	(441,314)
Provisions	(441,346)	-	(441,346)
Total net assets	1,494,009	574,070	2,068,079

	Unrestricted funds £	Unrestricted fixed asset funds £	Total funds at 31 July 2022 £
Tangible fixed assets	-	207,488	207,488
Fixed asset investments	1,302,580	-	1,302,580
Current assets	1,501,520	-	1,501,520
Current liabilities	(456,720)	-	(456,720)
Provisions	(487,981)	-	(487,981)
Total net assets	1,859,399	207,488	2,066,887

### 23 Related party transactions Group

During the year the group made the following related party transactions:

#### University of Hull

There are a number of transactions between HUU and The University of Hull to enable HUU to continue to achieve its objectives and provision of support. The following transactions occurred during the year:

#### Income:

Subvention grant £1,471,924 (2022: £1,400,000).

Sales £48,955 (2022: £28,626)

#### Expenses:

Rent £202,000 (2022: £202,000).

Purchases £295,498 (2022: £1,230)

At the balance sheet date the amount due to the University of Hull was £2,138 (2022: £13,849).

At the balance sheet date the amount due from University of Hull was £25,687 (2022 - £270).



**Smailes Goldie Group**  
CREATING ADVANTAGE



# **Hull University Union Limited**

## **Annual Report and Financial Statements**

**31 July 2023**

# **Hull University Union Limited**

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## **Hull University Union Limited**

### **Reference and Administrative Details**

<b>Chair</b>	S Webb, External Trustee
<b>Chief Executive Officer</b>	Jane Stafford
<b>Secretary</b>	Jane Stafford
<b>Senior Management / Leadership Team</b>	Jane Stafford, Chief Executive Officer Andy King, Commercial Services Director Nicole Steele, Membership Services Director Kevin Pearson, Finance and HR Director
<b>Charity Registration Number</b>	1152549
<b>Company Registration Number</b>	08475916
	The charity is incorporated in England.
<b>Registered Office</b>	Student Central Cottingham Road Hull HU6 7RX
<b>Auditor</b>	Smailes Goldie Group Regent's Court Princess Street Hull HU2 8BA
<b>Solicitors</b>	Barrass Whiting LLP The Deep Business Centre Tower Street Hull HU1 4BG  Rollits LLP Citadel House 58 High Street Hull HU1 1QE

# Hull University Union Limited

## Trustees' Report

The Trustees of Hull University Union Limited (HUSU) are pleased to present their annual trustees' report together with the audited consolidated financial statements of the charity and its subsidiary for the year ended 31 July 2023. In this regard, the Trustees have considered the requirements of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

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

### The Board of Trustees

#### Student President and Trustees

President Education  
President of Opportunities  
President Inclusivity & Diversity  
President of Union Development

(to 14.07.23)

Peace Igi-Ehon  
Muhammad Sohaib Hameed (to 14.03.23)  
Olatomide Fadipe (to 28.03.23)  
Huseyin Arslan

(from 14.07.23)

Chloe Fenton  
Ebenezer Aniemeka  
Lilly-Jane Rockett  
Raji Ibrahim Bamidele

#### Student Trustees

Chinonyelum Udemu (to 17.01.23)  
Abdulguddus Sotayo (to 12.09.22)  
Matthew Lloyd  
Scott Barrett-Smith (from 24.01.23)  
Oluwafemi Rahmon (from 24.01.23 to 14.07.23)  
Oluwabukola Shaba (from 24.01.23 to 14.07.23)

#### External Trustees

Sara Webb (Chair)  
Gaius Powell (to 01.08.23)  
Alan Bolchover  
Phillip Dolling  
Helen Duncan (from 06.07.23)

HUSU employs Jane Stafford as Chief Executive, who works closely with the Student Presidents and Trustee Board to ensure effective governance and management of the organisation. The Chief Executive's senior direct reports include, Andy King (Commercial Services Director), Nicole Steele (Membership Services Director) and Kevin Pearson (Finance and HR Director).

### TRUSTEES' REPORT

The trustees (who are also directors of Hull University Union Limited (HUSU) for the purposes of company law) present their Annual Report for the year ending 31 July 2023 which includes the administrative information set out on page 1, together with the audited accounts for the year.

#### Structure, governance and management

##### *Nature of governing document*

HUSU's key governing documents are the Articles of Association and the ByeLaws. The ByeLaws provide for the conduct of Union affairs and the implementation of Union democracy and policy and are interpreted in such a manner as not to conflict with Articles of Association. The Articles of Association were last updated following a successful referendum in October 2019.

Union Council may consider any matters affecting the interests of students at the University. Union Council's major role is to make change via motions and scrutinise and hold to account elected presidents (Sabbatical Trustees). The decisions of Council are subordinate to those made by referenda or the Board of Trustees.

Prior to 2013, HUSU operated as an unincorporated association formed under the Education Act 1994 for many years. On 5 April 2013 Hull University Union was incorporated as a charitable company (company number 8475916, charity number 1152549). On 1 August 2013 the charitable company took over the activities and operations of a connected unincorporated charity called Hull University Union. The primary aim of HUSU is the advancement of the education of students at the University of Hull for the public benefit.



# **Hull University Union Limited**

## **Trustees' Report**

HUSU established a wholly owned subsidiary company, HUSU Services Ltd, on 14th January 2000 (company number 3906837). HUSU and its subsidiary company comprise "the Group". HUSU carries out the charitable activities and the trading activities are carried out through the subsidiary company. The main activities of the trading subsidiary are the operations of the bars, food outlets, entertainment, and the retail shops of HUSU. The subsidiary has the same year end of 31 July 2023.

### ***Recruitment and appointment of trustees***

The Board of Trustees are responsible for the strategic direction, governance and sustainability of HUSU. The Board is made up of four President Trustees, four Student Trustees and four External Trustees. The President Trustees are elected by a secret ballot by the members each year; they are able to serve a second term in office of a further year if re-elected. The Student Trustees are selected via a recruitment and interview process and following a simple majority vote of a panel made up from the Appointments, Governance and Development Committee. The External Trustees are recruited to the Board through an interview process to bring a wider perspective and skill set from outside HUSU. A term for an External Trustee is up to three years, and they may serve for up to two terms.

### ***Induction and training of trustees***

Upon appointment all trustees receive two detailed training sessions led by the Chief Executive and Finance and HR Director, Supported by a Charity Solicitor and Auditor each of around three hours. A Trustee handbook provides a detailed overview and access to relevant policies. The Trustees also have an online reading room, past papers for both Board and Committee meetings are available along with useful articles and weblinks. Trustees are briefed on their legal obligations and other trustee responsibilities. The President Trustees and some Student Trustees are new to the Board each year unless re-elected for a second year and they all undergo a range of training to support their unique roles in addition to the training set out above.

President training covers all aspects of their roles including strategy, operational planning and governance, the HUSU Articles and Bye-laws, their legal responsibilities as trustees, key issues and decisions that have been made by the Board of Trustees and services provided to the members. A number of training sessions are given over the summer vacation period alongside induction sessions with the University complemented by specific role training provided by external trainers.

### ***Organisational structure***

The Finance and Human Resources Committee reviews HUSU's finances, human resources, risks, and compliance with all relevant legislation and other matters that could affect HUSU's future performance. The Committee reviews audit work and scrutinises the annual accounts, financial performance and annual budget. It also scrutinises the future financial and HR strategies.

The Appointments and Governance Development Committee is responsible for monitoring and improving all governance at HUSU. It is also responsible for ensuring that new trustees are effectively recruited and inducted and that appropriate training and development is planned and undertaken by all Trustees. It is also responsible for recruiting the CEO.

The Membership Participation and Inclusion Committee is responsible for overseeing, reviewing and making recommendations to the Board on matters relating to Student engagement, participation, equality, diversity and inclusion. All Presidents sit on this committee.

# **Hull University Union Limited**

## **Trustees' Report**

### **The Senior Leadership Team**

The Chief Executive is supported by three Directors that form the Senior Leadership Team. This team provides the executive management of HUSU, and HUUS Ltd managing the group's activities, providing leadership to staff and ensuring that the Boards and committees are fully informed on all aspects of the organisation.

### **Relationships with related parties**

#### **University of Hull**

Under the Education Act 1994, the University of Hull has a statutory duty to take such steps as are reasonably practicable to ensure that HUSU operates in a fair and democratic manner and is held to proper account for its finances. HUSU works in partnership with the University of Hull in ensuring that the affairs of HUSU are properly conducted and that the educational and welfare needs of HUSU's members are met. The formal relationship with the University is governed by the Code of Practice which is reviewed regularly.

The Partnership Agreement is reviewed by both parties annually. The agreement establishes a joint set of operating principles and provides the terms of reference for a Partnership Committee with members from the University Leadership team and the Union Presidents, Leadership team and a Trustee.

### **Risk Management**

The Trustees fulfil their role in assessing the risks that face HUSU. The Board has responsibility for overseeing risk management as a whole and uses the following approach to risk:

- There is an open and receptive approach to solving risk problems adopted by the Board and its Committees.
- HUSU makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.
- All staff are responsible for encouraging good risk management practice within their areas of work.
- Key risks are identified by the Board and key employees and will be closely monitored on a regular basis.

HUSU uses a dynamic approach towards its risk register. It is updated on a quarterly basis and is reviewed by the Finance Audit and Human Resources Committee overall, with each of the remaining committees focusing on their key areas of risk and mitigation. This approach feeds any issues and actions being undertaken to the Board of Trustees and into the Board of HUU Services Ltd.

The focus during the year has been on continuing to mitigate risks associated with HUSU's finances with a reliance on the return from our commercial operations and the grant from the University of Hull. Our commercial services had a good year this year as can be seen in the Finance Report. The University grant increased to £1.47m in 2022/23 from £1.4m in 2021/22. There continues to be a risk of increases in pension costs and liabilities associated with the Universities Superannuation Scheme although the Trustees of the scheme have indicated an improving position for the 2023 valuation.

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

# **Hull University Union Limited**

## **Trustees' Report**

### **Objectives and Activities**

The objectives of HUSU is the advancement of the education of students at the University of Hull. HUSU achieves this by:

- Promoting the interests and welfare of students at the University of Hull during their course of study and representing, supporting and advising Members.
- Being the recognised representative channel between students and the University and any other external bodies.
- Providing cultural, sporting, social and recreational activities, opportunities to volunteer in the community and forums for discussion and debate for the personal development of its Members.
- Providing opportunities to develop future employability skills through employment in HUSU's venues.

### **Achievements and Performance**

This year, surveying of members to monitor HUSU's progress against KPIs took place through the Alterline Student Life Pulse Survey. 1,821 students completed the survey between October 2022 and June 2023 which provided a wealth of data about the student experience, engagement with and knowledge of the Students' Union and the range of services and activities provided.

**Student groups** – At their peak during this year, a choice of 53 sports clubs and 91 societies offered a diverse range of opportunities for students to develop their skills, interests and socialise. 5126 students registered to join a HUSU student group or get involved in student-led or community volunteering during the year, a growth in student engagement compared with the previous year. There are some student groups and student-led volunteering projects which have continued to remain inactive due to the impact of the pandemic.

The Student Opportunities team is made up of staff and students and provides support and assistance in the safe running of activities including health and safety, recruitment and finance including fundraising and development.

**Student Voice and Influence** – Elections were held in March 2023 for the four President positions and for the voluntary role of Chair of Union Council and attracted a healthy number of students interested in running for a position – 37 individuals expressed initial interest, which then reduced to 17 candidates for President roles and 2 candidates for Chair of Council. Unfortunately, a number of candidates were found to have breached the election rules including tampering with other students' votes, causing the Returning Officer to declare the first voting period as null and void and four candidates being disqualified with several others withdrawing from the process. A second ballot was held with 697 students casting 5,093 votes and was declared fair. This experience prompted a review of HUSU's democracy in spring/summer 2023 which will have an impact on 2023/24 and beyond. Elections for volunteer Student Representatives were very popular in October 2022, with a high proportion of international postgraduate taught student candidates. The Student Voice and Influence team is made up of staff and students working to improve the academic experience for all students and leads on all democratic activities of the Union including facilitating Union Council and providing support and training and assistance in the elections and by-elections and referendum activity.

The Advice Centre has maintained its extended opening hours of 10am-5pm throughout the year and offers pre-bookable appointments to students needing advice on a wide range of topics including housing, finance, academic appeals and benefits. 1414 students were supported through the service, which is broadly in line with the previous years' service levels. Advisors have also supported students to access an additional £382,551 over the past year through a range of sources including benefits, grants and bursaries. This is an increase of 58.6% on the funds unlocked for students through the Advice Centre in 2021-22.

**Catering outlets, Licenced Premises and Events** – HUSU has 2 licenced premises; Sanctuary bar and Asylum night club. Both venues operate as JD Wetherspoon outlets under a franchise agreement. Sanctuary bar is the main student union bar which provides the full Wetherspoon experience, including extensive food menu daily (8am – 11pm), customer food and drink app and their famous club deals including curry club, steak club and fish Fridays. Sanctuary bar also has SKY & TNT Sport, darts and pool tables and a large outdoor beer garden for customers to use club and fish Fridays. Sanctuary bar also has SKY & TNT Sport, darts and pool tables and a large outdoor beer garden for customers to use.

## **Hull University Union Limited**

### **Trustees' Report**

Asylum night club hosts the city's largest student night 'Tower' every Wednesday and has regular live events and entertainment acts at other times throughout the year. The venue also holds weekly quiz and karaoke events for students' during term time and Bongo Bingo once a week throughout the year. The venues are also used to host large scale student events including Freshers in September and end of year celebrations at the end of May.

Shop – HUSU operate a full convenience store complete with bakery under a purchase only agreement with SPAR. The store also includes a University of Hull clothing range and full stationery offer.

#### **FINANCIAL REVIEW**

##### **Summary of the Year**

There has been an overall positive net movement in funds of £1k compared to a negative movement of £526k in 2022. Total income for the year was £6.45m compared to £5.29m in 2022. The University subvention was £1.47m compared to £1.4m in 2022. Our commercial operation had a very successful year with sales at £4.62m compared to £3.53m in 2022. Total expenditure was £6.41m compared to £5.84m in 2022.

The Trustees have recognised a requirement to hold free reserves as a contingency to protect the day to day and short-term financial stability of the organisation. This may occur if there is a one off or series of events that threatens our key income sources. The policy, reviewed in July 2023, is to hold £1.2m of free reserves to meet 6 months of operating costs of the group to recover, allow the organisation to manage the impact of a reduction in income and put plans in place to ensure that financial sustainability is maintained. Annually, the Trustees will assess the need to designate some of the free reserves to invest in projects to deliver the strategic plan. The reserves position as at 31st July 2023 is £2.07m of which £574k is allocated to tangible fixed assets leaving £1.49m of free reserves.

##### **Investment policy and objectives**

The Chief Executive is authorised to make short and medium-term investments, consistent with the objectives of the Union stated above. Long term investments are to be made on the advice of a Manager who is regulated under the terms of the Financial Services Act 1986. The Trustees are responsible for appointing a Manager.

Any decisions by the Trustees to invest must be centred on the interests of HUSU and not of the Trustees. Trustees may not exclude, to the financial detriment of HUSU, a particular range or class of investments in order to give effect to some moral, political, social, environmental or ethical belief held by the Trustees but not directly related to the interests of the Union.

##### **Plans for future periods**

Over the next 12 months, the Board of Trustees will lead on the development of a revised strategy taking HUU to 2030, which will be launched at the start of 2024-25 Academic year. Over the course of the next 12 months HUU will also co-create and deliver several pilot schemes with students aimed at improving student engagement, and democracy. The ongoing President reform work will be taken through a series of workshops, Union Council and ultimately the Board to agree any changes to the team format. In the student opportunities space, there will be a keen focus on increasing the number of Academic Societies and transforming the student-led Athletic Union.

# **Hull University Union Limited**

## **Trustees' Report**

### **Vision**

By 2025, we want to be a sector-leading Students' Union in both academic and non-academic representation for our members. We will have a flexible and adaptable offer, which creates high levels of sustained participation across our student community.

### **Values**

The values underpin the vision and are a demonstration of the culture and approach we strive for at the Union. These were refreshed in consultation with staff and students during the 2019-20 academic year:

**Inclusive:** We actively support Equality and Diversity, we adapt our services to reflect and meet the evolving needs of our members.

**Innovative:** We look to the future, seeking new opportunities, collaborations and partnerships; we are imaginative, creative and progressive.

**Positive:** We continually work to improve your Union, we are confident, optimistic and solution focused.

**Fun:** We focus on making your time at University as enjoyable as possible.

**Supportive:** We listen, look out for your best interests and make sure your voice is heard.

There are four Key Objectives that create the cornerstones of the strategy, these are:

Being sustainable and secure, that Students know who we are, what we do and trust us, that we are effective at making change and are known as change makers and finally that we are part of the student, University and City Communities.

During the coming year, the Students' Union will focus on raising student engagement across all of the Student Union activities, making our services more visible and accessible to members. We have seen improvements to our social space and our commercial areas during prior to the end of the last financial year these will be completed by mid-November 2022. A key focus will be to ensure these spaces are well utilised and meet the needs of our members.

Our President of Union Development is focused on ensuring we have a robust mental health support plan in place, using the Student Minds SU mental health Framework. The Union is also working with the University of Hull as they progress towards achieving the Mental Health Charter.

# Hull University Union Limited

## Trustees' Report

### Statement of trustees' responsibilities

The trustees (who are also the directors of Hull University Union Limited 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 parent charitable company and the group and of the incoming resources and application of resources, including its 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent charitable company will continue in business.

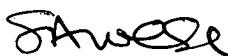
The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the parent charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the parent charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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


### Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 30 November 2023 and signed on its behalf by:



S. Webb  
Chair and Trustee



R. Bamidelo  
President of Union Development and Trustee

## **Report of the Independent Auditors to the Members of Hull University Union Limited**

### **Opinion**

We have audited the financial statements of Hull University Union Limited (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 July 2023, which comprise the and , including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 parent charity's affairs as at 31 July 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 UK, including the FRC'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 ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

### **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 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.

## **Report of the Independent Auditors to the Members of Hull University Union Limited**

### **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 and for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the and 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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.



## **Report of the Independent Auditors to the Members of Hull University Union Limited**

### **Auditor responsibilities for the audit of the financial statements (continued)**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the charity only and consolidated financial statements or the operations of the charitable company and the group, including the Companies Act 2006, the Charities Act 2011, data protection, anti-bribery, employment and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the charitable company's and consolidated financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships; tested journal entries to identify unusual transactions; assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to agreeing charity only and consolidated financial statement disclosures to underlying supporting documentation; reading the minutes of meetings of those charged with governance; enquiring of management as to actual and potential litigation and claims; and reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

Due to 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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 Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

## **Report of the Independent Auditors to the Members of Hull University Union Limited**

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Luke Taylor BSc., ACA (Senior Statutory Auditor)  
for and on behalf of Smailes Goldie Group  
Regent's Court  
Princess Street  
Hull  
East Yorkshire  
HU2 8BA

## Hull University Union Limited

### Consolidated Statement of Financial Activities for the Year Ended 31 July 2023 (Including Consolidated Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Unrestricted fixed asset funds £	Total 2023 £	Total 2022 £
<b>Income and Endowments from:</b>					
Donations and legacies	3	1,484,993	-	1,484,993	1,428,349
Charitable activities	4	300,002	-	300,002	250,743
Other trading activities	5	4,617,928	-	4,617,928	3,533,470
Investment income	6	49,775	-	49,775	32,722
Other income	8	962	-	962	39,232
Total income		6,453,660	-	6,453,660	5,284,516
<b>Expenditure on:</b>					
Raising funds		(4,175,519)	-	(4,175,519)	(3,340,637)
Charitable activities	9	(2,076,667)	(159,025)	(2,235,692)	(2,493,944)
Total expenditure		(6,252,186)	(159,025)	(6,411,211)	(5,834,581)
Gains/losses on investment assets		(41,256)	-	(41,256)	24,228
Net income/(expenditure)		160,218	(159,025)	1,193	(525,837)
Transfers between funds		(525,607)	525,607	-	-
Net movement in funds		(365,389)	366,582	1,193	(525,837)
<b>Reconciliation of funds</b>					
Total funds brought forward		1,859,400	207,488	2,066,888	2,592,724
Total funds carried forward 21		1,494,011	574,070	2,068,081	2,066,887

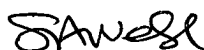
All of the group's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 21.

**Hull University Union Limited**  
**(Registration number: 08475916)**  
**Consolidated Balance Sheet as at 31 July 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	13	574,070	207,488
Investments	14	1,325,759	1,302,580
		<u>1,899,829</u>	<u>1,510,068</u>
<b>Current assets</b>			
Stocks	15	115,621	99,138
Debtors	16	69,024	59,992
Cash at bank and in hand		866,265	1,342,390
		<u>1,050,910</u>	<u>1,501,520</u>
<b>Creditors: Amounts falling due within one year</b>	17	<u>(441,314)</u>	<u>(456,720)</u>
<b>Net current assets</b>		<u>609,596</u>	<u>1,044,800</u>
<b>Total assets less current liabilities</b>		2,509,425	2,554,868
<b>Provisions</b>	19	<u>(441,346)</u>	<u>(487,981)</u>
<b>Net assets</b>		<u>2,068,079</u>	<u>2,066,887</u>
<b>Funds of the group:</b>			
<b>Unrestricted income funds</b>			
Unrestricted Fixed Asset Funds		574,070	207,488
General Funds		1,494,009	1,859,399
<b>Total funds</b>	21	<u>2,068,079</u>	<u>2,066,887</u>

The financial statements on pages 11 to 32 were approved by the trustees, and authorised for issue on 30 November 2023 and signed on their behalf by:



S. Webb  
Chair and trustee




R. Bamidele  
President of Union Development and Trustee

The notes on pages 16 to 33 form an integral part of these financial statements.

**Hull University Union Limited**  
**(Registration number: 08475916)**  
**Balance Sheet as at 31 July 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	13	574,070	207,488
Investments		1,325,761	1,302,582
		<u>1,899,831</u>	<u>1,510,070</u>
<b>Current assets</b>			
Debtors	16	97,122	96,225
Cash at bank and in hand		540,172	1,114,907
		<u>637,294</u>	<u>1,211,132</u>
<b>Creditors: Amounts falling due within one year</b>	17	<u>(130,070)</u>	<u>(150,809)</u>
<b>Net current assets</b>		<u>507,224</u>	<u>1,060,323</u>
<b>Total assets less current liabilities</b>		2,407,055	2,570,393
<b>Provisions</b>	19	<u>(320,049)</u>	<u>(362,506)</u>
<b>Net assets</b>		<u>2,087,006</u>	<u>2,207,887</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted Fixed Asset Funds		574,070	207,488
General Funds		<u>1,512,936</u>	<u>2,000,399</u>
Total unrestricted funds		<u>2,087,006</u>	<u>2,207,887</u>
<b>Total funds</b>	21	<u>2,087,006</u>	<u>2,207,887</u>

The financial statements on pages 8 to 29 were approved by the trustees, and authorised for issue on 30 November 2023 and signed on their behalf by:

  
 .....  
 S. Webb  
 Chair and trustee

  
 .....  
 R. Bamidele  
 President of Union Development and Trustee

## Hull University Union Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 July 2023

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash expenditure		(48,582)	(558,559)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		150,938	93,827
Loss on disposal of tangible fixed assets		-	232,122
Movement on listed investments		(23,179)	4,321
		79,177	(228,289)
<b>Working capital adjustments</b>			
Increase in stocks	15	(16,483)	(7,025)
Increase in debtors	16	(9,032)	(31,640)
(Decrease)/increase in creditors	17	(15,407)	68,898
(Increase)/decrease in retirement benefit obligation net of actuarial changes	20	(46,635)	327,470
Net cash flows from operating activities		(8,380)	129,414
<b>Cash flows from investing activities</b>			
Interest received		8,590	690
Acquisitions of tangible assets		(517,520)	(201,230)
Proceeds from sale of investments		-	15,670
Dividend income		41,185	32,032
Net cash flows from investing activities		(467,745)	(152,838)
Net decrease in cash and cash equivalents		(476,125)	(23,424)
Cash and cash equivalents at 1 August		1,342,390	1,365,814
Cash and cash equivalents at 31 July		866,265	1,342,390

All of the cash flows are derived from continuing operations during the above two periods.

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

	2023 £	2022 £
Net movement in funds per consolidated statement of financial activity	(1,193)	525,837
Income from fixed asset investments	41,185	32,032
Interest receivable	8,590	690
<b>Cash flows from operating activities</b>	48,582	558,559

The notes on pages 16 to 33 form an integral part of these financial statements.

# **Hull University Union Limited**

## **Notes to the Financial Statements for the Year Ended 31 July 2023**

### **1 Charity status**

The charity is limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The principal activity of the charitable company is to provide support and entertainment to the students of Hull University. The charitable company operates from its registered office.

The address of its registered office is:

Student Central  
Cottingham Road  
Hull  
HU6 7RX

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

#### **Basis of preparation**

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

#### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertakings drawn up to 31 July 2023.

No statement of financial activities is presented for the charity as permitted by section 408 of the Companies Act 2006.

## **Hull University Union Limited**

### **Notes to the Financial Statements for the Year Ended 31 July 2023**

#### **Going concern**

The trustees feel that the charitable company is well placed to negotiate the unique set of conditions currently facing the UK economy and has recovered well since the restrictions from the pandemic were fully lifted. The charitable company's current level of cash and investments is in a good position and they could be liquidised should it be necessary.

In addition to this, given the strong net asset position, cash balance and confirmed subvention for the year ended 31 July 2024, the trustees consider it reasonable that the charitable company will be able to pay its debts and known committed costs as they fall due for at least 12 months from the date of approval of these financial statements.

After consideration of all factors, the trustees continue to adopt the going concern basis in preparing the financial statements.

#### **Income**

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

#### ***Voluntary income***

Voluntary income is received by way of grants, donations and gifts and is included in full in the SOFA when receivable.

#### ***Grants receivable***

Grants are recognised when the group has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released. Where entitlement occurs before income is received, the income is accrued.

#### ***Investment income***

Investment is recognised when receivable.

#### ***Income from charitable activities***

Incoming resources from charitable trading activities are accounted for when earned.

#### ***Income from subsidiary***

Administration charges, being rental income from H.U.U Services Limited, are recognised when they are due. Gift Aid income from H.U.U Services Limited is recognised annually when the calculation has been performed.



## **Hull University Union Limited**

### **Notes to the Financial Statements for the Year Ended 31 July 2023**

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably.

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

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

#### ***Raising funds***

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

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.

#### ***Charitable activities***

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 charitable company apportioned to charitable activities.

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

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probably 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 asset into its intended working condition should be included in the measurement of cost.

## Hull University Union Limited

### Notes to the Financial Statements for the Year Ended 31 July 2023

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Short-term leasehold property	Straight line over length of lease
Motor vehicles	Straight line basis of 5 years
Fixtures and fittings	Straight line basis between 3 - 10 years

#### Impairment of fixed assets

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.

#### Fixed asset investments

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

Investments in associates are accounted for at cost less impairment.

#### Stock

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

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

#### 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.

#### Cash and cash equivalents

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

## **Hull University Union Limited**

### **Notes to the Financial Statements for the Year Ended 31 July 2023**

#### **Creditors**

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

Liabilities are recognised at the amount that the charitable 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**

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, the provision is based on the present value of these amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is required in the Statement of Financial Activities as a finance cost.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees discretion 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

#### **Pensions and other post retirement obligations**

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

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

#### **Financial instruments**

##### ***Classification***

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 model.

## Hull University Union Limited

### Notes to the Financial Statements for the Year Ended 31 July 2023

#### Critical accounting estimates and areas of judgement

FRS102 makes the distinction between a group and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer.

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

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

A key judgement is a provision/accrual for future pension liabilities relating to the USS scheme. These reflect the known deficit contribution schedules to which the entity is due to pay in line with the agreement between the entity and the pension fund. The calculation of this judgement is dependent upon certain assumptions including the length of the deficit repayment scheme, 16 years, the discount applicable to the time value of future money 3.37% and salary increases 5%. This results in a liability on the balance sheet of £441,346 for the group. If the length of the deficit was increased by 1 year the liability would increase by £33,294 for the group. A change in salary increase variation of 1% would cause a change in liability of £36,509 for the group. A change in salary increase of 1% along with an increase of 1.63% for the discount rates would produce a decrease in liability of £21,866 for the group. Whilst acknowledging these alternative scenarios exist management are of the view that the assumptions applied reflect the known situation at the balance sheet date.

#### 3 Income from donations and legacies

	Unrestricted funds General £	Total 2023 £
Donations and legacies;		
Hull University subvention grant	1,471,806	1,471,806
Grants, including capital grants;		
Other grant income	13,187	13,187
	1,484,993	1,484,993
	Unrestricted funds General £	Total 2022 £
Donations and legacies;		
Hull University subvention grant	1,400,000	1,400,000
Grants, including capital grants;		
Other grant income	28,349	28,349
	1,428,349	1,428,349

# Hull University Union Limited

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 4 Income from charitable activities

	Unrestricted funds General £	Total 2023 £
Charitable activities	300,002	300,002

	Unrestricted funds General £	Total 2022 £
Charitable activities	250,743	250,743

### 5 Income from other trading activities

	Unrestricted funds General £	Total 2023 £
Sales	4,617,928	4,617,928

	Unrestricted funds General £	Total 2022 £
Sales	3,533,470	3,533,470

### 6 Investment income

	Unrestricted funds General £	Total 2023 £
Income from dividends;		
Dividends from investments	41,185	41,185
Interest receivable and similar income;		
Bank interest received	8,590	8,590
	49,775	49,775

	Unrestricted funds General £	Total 2022 £
Income from dividends;		
Dividends from investments	32,032	32,032
Interest receivable and similar income;		
Bank interest received	690	690
	32,722	32,722

# Hull University Union Limited

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 7 Trading Activities - H.U.U Services Limited

#### H.U.U Services Limited - Trading

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

	2023 £	2022 £
Turnover	4,618,708	3,565,904
Other operating income	-	40,043
Charity trading cost of sales	(2,443,600)	(1,799,218)
Administrative expenses	(2,053,036)	(1,864,376)
<b>Net profit from trading activities</b>	<b>122,072</b>	<b>(57,447)</b>

	2023 £	2022 £
Net income from trading activities	443,190	265,220
Rent and fees paid to parent	(323,572)	(322,757)
Investment income	2,454	90
<b>Net profit prior to consolidation</b>	<b>122,072</b>	<b>(57,447)</b>

	2023 £	2022 £
Total assets	476,456	381,561
Total liabilities	(495,379)	(522,556)
Total equity	(18,923)	(140,995)

### 8 Other income

	Unrestricted funds General £	Total 2023 £
Other incoming resources	962	962

	Unrestricted funds General £	Total 2022 £
Government grants	27,691	27,691
Other incoming resources	11,541	11,541
	<b>39,232</b>	<b>39,232</b>

Government grants received in the previous year consist of amounts received in relation to the Job retention scheme.

## Hull University Union Limited

### Notes to the Financial Statements for the Year Ended 31 July 2023

#### 9 Expenditure on charitable activities

	Unrestricted fixed asset fund £	Unrestricted fund £	Total 2023 £	Total 2022 £
Governance	-	69,906	69,906	79,822
Activities	-	218,125	218,125	201,424
Inclusivity and diversity	-	58,505	58,505	69,476
Sports	-	387,794	387,794	340,635
Education	-	186,828	186,828	174,944
Admin	161,771	1,155,510	1,317,281	1,395,520
Loss on sale of fixed assets	(2,746)	-	(2,746)	232,122
	<u>159,025</u>	<u>2,076,668</u>	<u>2,235,693</u>	<u>2,493,943</u>

#### 10 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2023 £	2022 £
Auditor fees - audit services	13,250	13,000
Auditor fees - other non-audit services	2,000	2,000
Loss on disposal of fixed assets held for the group's own use	<u>(2,746)</u>	<u>232,122</u>

#### 11 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the group during the year, other than the internal trustees disclosed in the Staff costs note below.

No trustees have received any reimbursed expenses from the charity during the year.

## Hull University Union Limited

### Notes to the Financial Statements for the Year Ended 31 July 2023

#### 12 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
<b>Staff costs during the year were:</b>		
Wages and salaries	2,466,630	2,035,720
National insurance	135,409	169,370
Pension contributions	75,302	446,694
	<u>2,677,341</u>	<u>2,651,784</u>

The monthly average number of persons (including senior management / leadership team) employed by the group during the year expressed as full time equivalents was as follows:

	2023 No	2022 No
Charitable activities	19	17
Cost of generating funds	54	47
Management and administration of the union	14	17
	<u>87</u>	<u>81</u>

The number of employees whose emoluments fell within the following bands was:

	2023 No	2022 No
£70,001 - £80,000	1	1

The total employee benefits of the key management personnel of the group were £349,550 (2022 - £307,900).

#### Student officers remuneration

	2023 £	2022 £
P Igi-Ehon	21,468	20,262
H Arslan	20,534	2,767
O Fadipe	14,346	2,767
M S Habeeb	12,379	1,495
C Fenton	1,278	-
R I Bamidele	1,278	-
L-K Rockett	1,278	-
E Aneimeka	1,278	-
H Burton	-	13,416
P Bastiani	-	18,552
S Doherty	-	18,552
E Leonard	-	13,426
	<u>73,839</u>	<u>91,237</u>

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



# Hull University Union Limited

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 13 Tangible fixed assets

#### Group

	Land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 August 2022	3,148,553	679,821	3,828,374
Additions	447,520	70,000	517,520
At 31 July 2023	3,596,073	749,821	4,345,894
<b>Depreciation</b>			
At 1 August 2022	3,148,553	472,333	3,620,886
Charge for the year	55,940	94,998	150,938
At 31 July 2023	3,204,493	567,331	3,771,824
<b>Net book value</b>			
At 31 July 2023	391,580	182,490	574,070
At 31 July 2022	-	207,488	207,488

#### Charity

	Land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 August 2022	3,148,553	679,821	3,828,374
Additions	447,520	70,000	517,520
At 31 July 2023	3,596,073	749,821	4,345,894
<b>Depreciation</b>			
At 1 August 2022	3,148,553	472,333	3,620,886
Charge for the year	55,940	94,998	150,938
At 31 July 2023	3,204,493	567,331	3,771,824
<b>Net book value</b>			
At 31 July 2023	391,580	182,490	574,070
At 31 July 2022	-	207,488	207,488

# Hull University Union Limited

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 14 Fixed asset investments

#### Group and Charity

<b>Other Investments</b>	<b>Listed investments £</b>	<b>Total £</b>
<b>Cost or Valuation</b>		
At 1 August 2022	1,302,582	1,302,582
Revaluation	(17,210)	(17,210)
Additions	267,669	267,669
Disposals	(227,282)	(227,282)
At 31 July 2023	1,325,759	1,325,759
<b>Net book value</b>		
At 31 July 2023	1,325,759	1,325,759
At 31 July 2022	1,302,582	1,302,582

Analysis of investments:

	<b>2023 £</b>
<b>Analysis of investments</b>	
UK Equities and Unit Trusts	222,886
Global Equities and Unit Trusts	574,255
UK Government Bonds	150,565
International Bonds	74,023
Multi Asset Funds	44,820
Other	259,210
	<u>1,325,759</u>

	<b>2023 £</b>
<b>Investments exceeding 5% of market value of portfolio:</b>	
Vanguard S&P 500 UCITS ETF	67,558
Schroder Global Sustainable Growth	92,216
M&G Global Dividen Fund	85,511
Charities Property Fund	112,383

# Hull University Union Limited

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 14 Fixed asset investments (continued)

#### Charity

#### Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
<b>Cost</b>		
At 1 August 2022	2	2
At 31 July 2023	2	2
<b>Net book value</b>		
At 31 July 2023	2	2
At 31 July 2022	2	2

H.U.U. Services Limited is a subsidiary on the basis of dominant control, which is registered in England and Wales. H.U.U. Services Limited distributes all profits to Hull University Union Limited under Gift Aid arrangements. It's registered number is 03906837.

H.U.U. Services Limited is the only subsidiary of the charity and the charity owns 100% of the Ordinary share capital. The principal activity of the company is that of the operation of bars, fundraising events and the operation of the retail shop of Hull University Union Limited.

The profit for the financial period of H.U.U. Services Limited was £122,072 (2022 - £(57,447)) and the aggregate amount of capital and reserves at the end of the period was £(18,923) (2022 - £(140,995)).

### 15 Stock

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Stocks	115,621	99,138	-	-

#### Group

The cost of stock recognised as an expense in the year amounted to £2,443,600 (2022 - £1,799,218).

# Hull University Union Limited

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 16 Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	43,445	15,521	86,570	76,219
Prepayments	14,950	24,464	-	-
Accrued income	-	10,384	-	10,384
VAT recoverable	5,120	6,399	5,120	6,399
Other debtors	5,509	3,224	5,432	3,223
	<u>69,024</u>	<u>59,992</u>	<u>97,122</u>	<u>96,225</u>

### 17 Creditors: amounts falling due within one year

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	93,244	115,005	12,493	47,986
Other taxation and social security	150,481	172,185	22,885	20,859
Other creditors	619	15,970	542	5,125
Accruals	196,970	153,560	94,150	76,839
	<u>441,314</u>	<u>456,720</u>	<u>130,070</u>	<u>150,809</u>

### 18 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Within one year	202,000	202,000	202,000	202,000
In two to five years	808,000	808,000	808,000	808,000
In over five years	471,333	673,333	471,333	673,333
	<u>1,481,333</u>	<u>1,683,333</u>	<u>1,481,333</u>	<u>1,683,333</u>

## Hull University Union Limited

### Notes to the Financial Statements for the Year Ended 31 July 2023

#### 19 Provisions

##### Group

	Pension contributions provision £	Total £
At 1 August 2022	487,981	487,981
Utilised during the period	(46,635)	(46,635)
At 31 July 2023	441,346	441,346

##### Charity

	Pension contributions provision £	Total £
At 1 August 2022	362,506	362,506
Utilised during the period	(42,457)	(42,457)
At 31 July 2023	320,049	320,049

The key assumptions in calculating this provision include a discount rate of 3.4% and an estimated cost of living increase of 5%.

#### 20 Pension and other schemes

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

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

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

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

	2023	2022
Discount Rate	2.5%	2.5%
Pension salary growth	n/a	n/a
Pension increases (CPI)	1.5%	1.5%

## Hull University Union Limited

### Notes to the Financial Statements for the Year Ended 31 July 2023

#### 20 Pension and other schemes (continued)

The main demographic assumption used related to the mortality assumptions. These assumptions have been updated for the 31 March 2023 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation.

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

#### Mortality base table

##### Pre-Retirement:

2023: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.

2022: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.

##### Post-Retirement:

2023: 97.6% of SAPS S1 NMA 'light' for males and 102.7% of RFV00 for females.

2022: 97.6% of SAPS S1 NMA 'light' for males and 102.7% of RFV00 for females.

#### Future improvements to mortality

2023: CMI\_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

2022: CMI\_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

	<b>2023</b>	<b>2022</b>
Males currently aged 65 (years)	24.4	24.4
Females currently aged 65 (years)	25.9	25.9
Males currently aged 45 (years)	26.3	26.3
Females currently aged 45 (years)	27.7	27.7
	<b>2023</b>	<b>2022</b>
Scheme assets	£63.7bn	£63.7bn
Total scheme liabilities	£67.3bn	£67.3bn
FRS102 total scheme deficit	£3.6bn	£3.6bn
FRS102 total funding level	95%	95%

# Hull University Union Limited

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 21 Funds

#### Group

	Balance at 1 August 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 July 2023 £
<b>Unrestricted funds</b>						
General	1,859,400	6,453,660	(6,252,186)	(525,607)	(41,256)	1,494,011
Unrestricted fixed asset funds	207,488	-	(159,025)	525,607	-	574,070
<b>Total funds</b>	<b>2,066,888</b>	<b>6,453,660</b>	<b>(6,411,211)</b>	<b>-</b>	<b>(41,256)</b>	<b>2,068,081</b>

	Balance at 1 August 2021 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 July 2022 £
<b>Unrestricted funds</b>						
General	2,244,843	5,284,516	(5,508,632)	(185,556)	24,228	1,859,399
Unrestricted fixed asset funds	347,881	-	(325,949)	185,556	-	207,488
<b>Total funds</b>	<b>2,592,724</b>	<b>5,244,473</b>	<b>(5,834,581)</b>	<b>-</b>	<b>24,228</b>	<b>2,066,887</b>

## Hull University Union Limited

### Notes to the Financial Statements for the Year Ended 31 July 2023

#### 22 Analysis of net assets between funds Group

	Unrestricted funds £	Unrestricted fixed asset funds £	Total funds at 31 July 2023 £
Tangible fixed assets	-	574,070	574,070
Fixed asset investments	1,325,759	-	1,325,759
Current assets	1,050,910	-	1,050,910
Current liabilities	(441,314)	-	(441,314)
Provisions	(441,346)	-	(441,346)
Total net assets	1,494,009	574,070	2,068,079

	Unrestricted funds £	Unrestricted fixed asset funds £	Total funds at 31 July 2022 £
Tangible fixed assets	-	207,488	207,488
Fixed asset investments	1,302,580	-	1,302,580
Current assets	1,501,520	-	1,501,520
Current liabilities	(456,720)	-	(456,720)
Provisions	(487,981)	-	(487,981)
Total net assets	1,859,399	207,488	2,066,887

#### 23 Related party transactions Group

During the year the group made the following related party transactions:

##### University of Hull

There are a number of transactions between HUU and The University of Hull to enable HUU to continue to achieve its objectives and provision of support. The following transactions occurred during the year:

##### Income:

Subvention grant £1,471,924 (2022: £1,400,000).

Sales £48,955 (2022: £28,626)

##### Expenses:

Rent £202,000 (2022: £202,000).

Purchases £295,498 (2022: £1,230)

At the balance sheet date the amount due to the University of Hull was £2,138 (2022: £13,849).

At the balance sheet date the amount due from University of Hull was £25,687 (2022 - £270).