

Registered number: 07703890
Charity number: 1143101

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

UNIVERSITY OF HERTFORDSHIRE STUDENTS' UNION
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2016**

Trustees

Grainne O'Monghain, President and Chair from 24 June 2016
Annabel Mabin, Vice President Student Activities
Cynthia Ekezie, Vice President Democracy and Services (appointed 24 June 2016)
Ciara Spillane, Vice President Education and Welfare (appointed 24 June 2016)
Shelby Loasby, Vice President Communications and Media (appointed 24 June 2016)
Adam Flint, Independent Trustee (resigned 3 May 2016)
Joseph Emmerson, Student Trustee
Bethel Haimanot, Student Trustee (appointed 1 July 2016)
Gagandeep Chauhan, Student Trustee (resigned 16 September 2016)
Alex Lowry, Student Trustee (resigned 30 June 2016)
Rana Farooq, Vice President Education and Welfare (resigned 24 June 2016)
Jack Amos, President and Chair (resigned 24 June 2016)
Bradley Johnson, Vice President Communications and Media (resigned 11 March 2016)
Keith Whiteford, Independent Trustee (resigned 1 September 2016)
Chris Kitchin, Independent Trustee
Simon Petar, Independent Trustee (appointed 21 June 2016)
Khalad Hussain, Deputy Chair from 16 September 2016 (appointed 2 May 2016)

Company registered number

07703890

Charity registered number

1143101

Registered office

College Lane, Hatfield, Hertfordshire, AL10 9AB

Independent auditor

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

Bankers

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

Solicitors

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

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2016

The Trustees present their annual report together with the audited financial statements of for the year 1 August 2015 to 31 July 2016.

Strategic Report

Overview

The 2015-16 financial year was an extremely tough period for the University of Hertfordshire Students' Union (UHSU) in financial terms. There was a marked reduction in income within the Union's trading activities as a result of the continued decline in Licensed Trade in particular. This had a significant impact on the Union's ability to achieve its charitable objectives and led to some reduction in activity during the year to minimize the financial impact. This inevitably led to a drop in activities and services, which was disappointing although necessary under the circumstances. A structural review was undertaken to take account of the potential for further reductions in income over the coming years to ensure that the income and expenditure balance in future years.

Despite the significant curtailment in activity during the second half of the year, the Union still had a positive impact on students at the University, although the Board of Trustees are clear that given sufficient resource, this could be even greater.

In terms of meeting its key objectives, the Union recorded more engagement with students than in previous years and maintained the satisfaction score in the National Student Survey, published shortly after the year end (rising from 71% in 2014 to 74% in 2015 and 2016). This puts Hertfordshire Students' Union firmly in the top quartile of all Students' Unions in the UK, as represented by the NSS, being ranked 34th. This is an immense achievement given the level of funding available when compared with our peers.

The Students' Union represented students well in 2015-16, actively seeking out the view of students and promoting issues that are of importance to them, through the many University Committees its representatives attend, but also through and proactive range of high quality change campaigns. During the year, the Students' Union focused on deepening relationships with the University's 10 academic schools, which appears to be paying off extremely well and will be further developed over the coming years. In addition, the Union employed its first Campaigns and Policy Coordinator which led to a significant rise in the quality of its policy work, enabling us to respond to a number of Government consultations on behalf of students at the University, including the consultation of the Teaching Excellence Framework, the proposed NHS Bursary changes, the proposed changes to the Destination of Leavers in Higher Education, the HE Green Paper and the consultation over the future of Widening Access, which is an important measure of UK HE success. Our published responses are available at <https://hertfordshire.su/representation/reports/> We were also able to undertake more research with current students in order that we understand their needs even better in order that we can represent their views both within the University but also further afield. Our Annual Student Survey attracted approximately 2400 responses and provides the Union with clear direction about what is most important to current students. We are taking these research findings forward and using them to inform our work.

During the year the Union coordinated and prepared the Student Submission on behalf of students at the University in preparation for the QAA's Higher Education Review. The full report can be found here This was an extensive piece of work, based on four or five years of research activities, representational work and work in partnership with the University.

Achievements and performance

The Students' Union has further developed its strategic plan over the last year and had numerous achievements, in line with the its Strategy:

Creating great memories for life

Recorded engagement with students increased significantly during the year, although this still remains under-reported in some areas. The number of society members at the year-end was 2825. This is a real achievement and well on the way to achieving our long term aspirations. In addition to the societies, there were 30 sports clubs with over 1300 members, run in partnership with the University through the Athletic Union. The Students'

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2016

Union further developed the Herts Hall League during the year organising numerous events including weekly sports activities and engaging with over 1,835 individual students living in Halls of Residence. The Union's Give it a Go programme also made significant progress with over 1,806 students participating in a variety of events.

Our entertainment programme for students continued to develop, attracting thousands of students to our weekly events as well as hosting special celebration events such as the Summer Ball, which was themed Alice in Wonderland, entertaining 3,000 students until the early hours. The Union also hosted the Slam Dunk Festival on site for 10,000 visitors.

209 students joined our student media activities during the year, gaining valuable experience in print and broadcast media. The quality and consistency of the student newspaper, Universe, and magazine, Blue Moon, improved significantly during the year and Union TV created some great one off programmes as well as regular sports coverage of University sports activities. During the year there were almost 80,000 hits on the Trident Media website.

Being the independent voice of students
Helping you succeed in your studies
Inspiring student-led change

During 2015-6 our Advice and Support Centre introduced a new system for recording and monitoring casework. This has given us a more sophisticated way of managing casework and enables us to report in detail on any trends. During the year, the advice team assisted 921 individual students with casework. 2,260 contacts were recorded excluding our weekly Legal Clinic (93 students) and Sexual Health clinic which undertook over 300 HIV tests in addition to C-Card registrations and sexual health advice. Over 50% of the casework related to academic related matters, over 20% related to accommodation issues as well as significant numbers with financial difficulties (12%) and a whole range of other enquiries. Our team of professional advisers helped many students remain at the University through their dedicated commitment and proactive approach.

The Students' Union continues to play a very active role in supporting student representation throughout the University. In addition to supporting almost 700 student reps, elected at a Programme Level, the Union plays a key role in supporting the team of Student Representative Organisers, providing a training programme in partnership with the University as well as providing day to day support. The Union organised a highly successful Reps Conference – Repstival – during the year with both University, SU and external speakers. Elected Representatives continued to play an active role in representing the views of students through attendance at the many University Committees, providing valuable insight to help make informed decisions.

The Students' Union has significantly developed its approach to research over the year. Many reports have been prepared including the Student Submission in preparation for the HE Review undertaken by the QAA. These reports are developed from detailed analysis of a wide range of institutional level evidence. A series of recommendations have been made which have been pursued over the course of the year, with some notable achievements including the implementation of a review of Assessment and Feedback across the University. Furthermore, our Research team have undertaken numerous smaller scale research projects to inform our approach and policy initiatives.

The Union's Elected Officers, supported by staff, also spearheaded a number of important campaigns during the year, including preparing a comprehensive report into the services provided by UnoBus, a subsidiary of the University of Hertfordshire, a campaign around the proposed changes to NHS bursaries, a Campus Costs campaign and voter registration in advance of the 2015 General Election and latterly the EU Referendum. The Union organised and hosted an EU Referendum debate attended by over 300 staff, students and members of the public as part of its "Hertfordshire Debates" series.

150 students took part in voluntary activities within our community and many others participated in fundraising on behalf of charities with the help of the Students' Union through its RAG (Raise and Give) programme. This important work continues to support both the University community and the general public. Students supported

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2016

charities both in the UK and overseas, gaining valuable lifelong skills and experiences whilst giving up their time to help others. Fundraising activities included the annual RAG hitch (Jailbreak) with teams travels to Paris, Prague, Amsterdam and Copenhagen, raising over £2,300 along the way. A group of students also travelled to Uganda as part of the East African Children's Playgrounds Charity while others climbed Mount Kilimanjaro as part of their support for the Hope for Children charity. These life changing experiences provide students with memories that will stay with them forever.

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

Making Hertfordshire Students' Union a great place to work

The Students' Union has a committed and hardworking team of staff who work tirelessly to support students at the University. We have continued to develop the staff teams and always aim to give them valuable experience and opportunities for personal and professional development. In addition, we have established a student staff representative committee and invested more in the training of our student staff. We employed approximately 45 permanent staff and gave up to 451 students opportunities to work for us during the year, paying them wages amounting to £567,000. We have developed new student staff roles that provide even more fulfilling opportunities to gain work experience and contribute towards making the Union ever more reflective of our student population. We are fortunate to have exceptional facilities which add towards creating a great environment in which our staff work and our students to use in pursuit of their chosen activities.

During the year we undertook our bi-annual Staff Satisfaction Survey and were pleased to achieve an 82% employee engagement score overall. Unfortunately due to the financial pressures, the Union had to undergo a staffing reorganisation over the summer of 2016 which led to a number of redundancies and a significant level of upheaval. During the last year as a result of this our staff turnover figure almost doubled to 48%. This has had a devastating effect on the Union and there has been a huge loss of talent and knowledge. Fortunately we are a resilient organisation and have been fortunate enough to attract some very talented and committed individuals whom we hope to develop and nurture over the coming years.

UHSU Solutions Ltd

Under the brand name LetSU, our student housing team achieved accreditation under the Landlord Accreditation Scheme operated by Welwyn Hatfield Borough Council. This was a fantastic achievement and illustrates our commitment to quality student housing. During the year we let/ managed over 100 houses to 469 students, saving them an estimated £100k in agency fees. We further developed systems to manage the properties and ensure that the quality of accommodation meets tough local and national regulatory requirements.

UHSU Enterprises Ltd

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

Our Entertainments programme once again saw some exceptional acts performing at the Forum Hertfordshire. Although overall footfall reduced slightly, there was a shift in spending habits meaning that average spend per head fell significantly impacting on revenues. Whilst costs were generally well controlled, the fall in revenue impacted on the net surplus generated, resulting in the loss of valuable income that is used to support our other charitable services. In addition, there was investment in the facilities to ensure they remain up to date. The Attic nightclub was refurbished alongside some improvements to the Style Bar and further investment in the lighting and sound equipment in the Auditorium. It is worth noting that the investment made by the Students' Union in the Forum and EleHouse since opening in 2009-10 is almost £1,000,000.

Priorities for the year ahead

The Union's strategy has been further developed over the course of the last year, enabling us to develop a series

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FOR THE YEAR ENDED 31 JULY 2016

of Key Performance Indicators. The aim over the next year is to ensure that our work is focused around delivery of these KPIs. We will particularly focus on the following:

- Achieving our financial objectives
- Focusing on our representative function
- Deepening engagement with students by further focusing on the University's 10 academic schools by developing academic related societies
- Providing exceptional customer service
- Further developing our staff team to enable delivery of long term objectives
- Strengthen relationship with key stakeholders within the University
- Ensure all staff work together towards organisational goals
- Deepening mechanisms to ensure we are even more student-led

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TRUSTEES' REPORT (continued)
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Objectives and Activities

a. Aims, objectives and activities

The Board of Trustees has identified UHSU's mission as follows:

Our vision:

- Making student life incredible

Our goals:

- Inspiring student led change
- Creating great memories for life
- Helping you succeed in your studies
- We're the independent voice of students
- Shaping our activities around you

How we get there:

- Making Hertfordshire Students' Union a great place to work
- Effective, targeted communications
- Secure and stable finances

In pursuit of these aims for the public benefit, UHSU will ensure the diversity of its membership is recognised, valued and supported and has established departments and services for use by its members and to support its work with the University and other organisations on behalf of students. These include the Union's Advice and Support Centre, support for Student Representatives, Societies and Volunteering activities, Student Media, and support for student skills and training activities. In addition, the Union has established a subsidiary Company (UHSU Enterprises Limited) to operate the Union's Bars, venues, catering, entertainments and shops. The Union has also established a subsidiary Company (UHSU Solutions Limited) to operate the Union's student Housing Services. Elected officers of UHSU sit on every major committee of the University and meet regularly with the Local Authority, other providers of public services affecting students and local community groups.

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

To further enhance the student experience, UHSU attract students from all walks of life to get involved in the Union, the University and the local community by actively promoting the benefits of volunteering activities. As a result, in 2015-16, over 150 students volunteered to support our community-based and on-campus volunteering opportunities as well as supporting other charities through fund raising activities on their behalf.

When reviewing our objectives and planning our activities, we have given due consideration to the Charity Commission's general and relevant supplementary guidance on public benefit.

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

Chief Executive

Phil Mackay

Director of Engagement and Communications

Rebecca Hobbs

Director of Finance and Resources

Christine Dixon

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FOR THE YEAR ENDED 31 JULY 2016

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt a going concern basis in preparing these financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies. The Trustees are aware of the impact on the financial statements of the inclusion for the first time of the FRS17 standard. This includes the liabilities in relation to the closed defined pension scheme. There is a deficit reduction scheme in place to ensure these liabilities are fully met over the next 15 years.

b. Reserves policy

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

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

Free reserves stood at £62,129 at the year-end. Whilst this is below target, significant investment in the venues has been made in recent years meaning that since the opening of the Forum, over £940,000 has been invested to ensure the venues remain up to date.

UHSU is currently affiliated only to the NUS, for which our total subscription costs amounted to £33,392 for the year, and no donations were made during the year to any external institutions out of UHSU's own resources.

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c. Financial Review

UHSU's gross income from all sources reduced this year, down from £5,928,109 in 2015 to £5,705,040 in 2016. The reduction in overall income was largely as a result of a fall in income from our trading activities, especially related to late night entertainment activities, in line with national trends but also as a result in a change in student night life activities.

2015-16 was an exceptionally difficult year for Hertfordshire Students' Union. The Union ended the year with a trading deficit of £130,000. This was as a result of:

- Lower than budget trading in commercial venues, notably a reduction in revenue in the Forum of £175k against budget
- Exceptional costs associated with the redundancy of four members of permanent staff (£20,000)
- SDLT and corporation tax on the Forum and EleHouse leases of £38,000
- An increasing cost for its closed defined benefits pension scheme of £63,000

The Union's realisable subvention grant (i.e., after the accommodation grant and rent costs have been netted out) of £685,000 plus £35,000 in support of the Halls League, coupled with the Union's net trading surplus of £450,000 from bars, retail and housing, meant net income totalled £1,170,000, however, total costs for the Union of £1,300,000 left a shortfall of £130,000.

The Union's deficit became apparent from January 2016 as trading activity continued to decline. Accordingly, costs across the Union, particularly those associated with trading activity, were immediately curtailed as best as possible to minimise the deficit. This had a direct impact on our recorded engagement with students.

When preparing the 2016-17 budget, it became apparent that there would be a significant deficit between income and the Union's operating costs. The Union's Senior Management team therefore was compelled to cut seven permanent staff posts in an attempt to bridge the gap. Two of these posts were from the Union's membership services team, two were from the Central Administration team and three were from the bars and entertainments team.

Going forward, the Union's budget for 2016-17 shows a small surplus of £36,000. This includes an additional one off £100,000 grant from the University to assist in the short time. However, this grant has only plugged the gap for one year whilst we consider the longer term financial strategy. The Board of Trustees is concerned that the level of grant funding is insufficient to meet the needs of the Charity and that the reliance on the income generated by the Union's subsidiary companies is currently too great. It is estimated that the grant is approximately £200,000 too low to meet the needs of the Charity, which puts immense pressure of the Union.

Following the exceptional items, there was a loss of £130,000. The loss this year has reduced total reserves from £438,596 to £307,936. The Board of Trustees is concerned about the level of reserves and aims to start increasing these again as soon as possible.

UHSU has continued to benefit from the recognition and support of the University of Hertfordshire, and this year the annual subvention grant was £685,000. In addition, the University funded the Halls League activity £35,000 and a further £782,770 towards the cost of leased accommodation. The University also directly funded on behalf of the Students' Union £70,000 towards the cost of the Athletic Union which is not shown in these accounts as the money does not pass through the Union any longer.

Structure, governance and management

a. Constitution

UHSU is constituted under the Education Act 1994 as a charity (see page 1) in line with Memorandum and Articles of Association most recently approved by the governing body of the University of Hertfordshire (the

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University) dated 11 July 2011 and amended June 2016.

UHSU's charitable Objects under the Act are as follows:

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

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

b. Method of appointment or election of Trustees

UHSU is administered by a Board of Trustees, consisting of five officer trustees, elected annually by cross-campus secret ballot of UHSU members, up to three student trustees, elected by cross campus ballot to serve a maximum of two years and up to four independent trustees, appointed by the Board to serve up to three years and a maximum of two consecutive terms. The five officer trustee posts of President, Vice President Communications and Media, Vice President Education and Welfare, Vice President Democracy and Services and Vice President Student Activities are full-time, elected officers whose posts are remunerated as authorised by the Education Act 1994 and cannot exceed two years duration for each holder. During the year, the Board of Trustees agreed to change the term of office for Officer Trustees to end on the 2nd June (or nearest Friday) in order that the induction period for future Officer Trustees can be extended. The five Officer Trustees, three Student Trustees and four Independent Trustees are regarded as the charity trustees of UHSU for the purposes of the Charity Acts.

c. Organisational structure and decision making

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

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

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

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

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d. Relationship with the University of Hertfordshire

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

The Union also occupies its premises under commercial leases of approximately £434,345 pa. The University has continued to fund a similar amount via an accommodation grant.

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

e. Risk management

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

Plans for future periods

a. Future funding

The Board of Trustees confirms that UHSU has sufficient funds to meet all its obligations for the coming year. The subvention grant funding for the 2016/2017 financial year has been confirmed at £685,000 with £35,000 to support the Halls League. Additional grants of £50,000 for the next five years in recognition of the potential impact of the Subway branch on the Union and £100,000 for one year have been agreed. In addition, £782,770 has been confirmed for accommodation costs. Furthermore, the Union expects its commercial activities to continue to generate significant funds to support the Union's other charitable objectives.

Custodian activities: Clubs and societies funds and the annual RAG

UHSU acts as custodian for funds raised by the Union's many societies, amounting to an income of £66,789 and expenditure of £55,812 during the year, in addition to the grant-support funds it disburses to them as shown in the accounts. UHSU is also custodian of the annual RAG (Raise and Give) proceeds from fundraising events organised by the students under UHSU auspices for distribution to the intended charities. Net funds raised by this year's RAG amounting to £9,150 were distributed among the charities nominated by the RAG Committee. In addition, students raised a further £34,000 which was donated directly to student's chosen charities.

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Trustees' responsibilities statement

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

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

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

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

Disclosure of information to auditor

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

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

This report was approved by the Trustees on _____ and signed on their behalf by:

.....
Grainne O'Monghain
President and Chair of the Board of Trustees 2016-
17

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

We have audited the financial statements of University of Hertfordshire Students' Union for the year ended 31 July 2016 set out on pages 14 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report to you in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Group strategic report, for the

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

financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Group strategic report.

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

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

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

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:					
Donations & legacies:					
University Block grant	2	685,000	-	685,000	685,000
University grant for rent	2	782,770	-	782,770	880,074
Other donations and legacies	2	35,000	-	35,000	21,000
Charitable activities:					
Lettings income	3	156,405	-	156,405	171,556
Societies		-	66,789	66,789	74,020
Other income		104,820	-	104,820	97,691
Other trading activities		3,872,422	-	3,872,422	3,996,713
Investments	4	1,834	-	1,834	2,055
Total income		5,638,251	66,789	5,705,040	5,928,109
Expenditure on:					
Charitable activities:					
Trading expenditure		3,702,601	-	3,702,601	3,951,063
Trading rent		656,846	-	656,846	764,646
Advice welfare and support		141,224	-	141,224	139,997
Lettings		226,382	-	226,382	202,689
Lettings rent		25,185	-	25,185	24,941
Student engagement		409,474	55,812	465,286	325,678
Communications		281,915	-	281,915	276,819
Taxation		7,224	-	7,224	-
Governance	6	318,060	-	318,060	298,111
Total expenditure	7	5,768,911	55,812	5,824,723	5,983,944
Net income / (expenditure) before other gains and losses		(130,660)	10,977	(119,683)	(55,835)
Movement on pension provision		50,967	-	50,967	50,093
Net income / (expenditure) before other recognised gains and losses		(79,693)	10,977	(68,716)	(5,742)
Net movement in funds		(79,693)	10,977	(68,716)	(5,742)
Reconciliation of funds:					
Total funds brought forward		(492,743)	34,084	(458,659)	(452,917)
Total funds carried forward		(572,436)	45,061	(527,375)	(458,659)

All activities relate to continuing operations.

The notes on pages 18 to 32 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	12		245,807		279,373
Current assets					
Stocks	13	107,462		114,327	
Debtors	14	212,927		219,345	
Cash at bank and in hand		613,646		452,170	
			<u>934,035</u>	<u>785,842</u>	
Creditors: amounts falling due within one year	15	(826,845)		(592,535)	
Net current assets			107,190		193,307
Total assets less current liabilities			<u>352,997</u>		<u>472,680</u>
Defined benefit pension scheme liability	20		(880,372)		(931,339)
Net liabilities including pension scheme liabilities			(527,375)		(458,659)
Charity Funds					
Restricted funds	16		45,061		34,084
Unrestricted funds	16		(572,436)		(492,743)
Total deficit			(527,375)		(458,659)

The financial statements were approved by the Trustees on behalf, by:

and signed on their

.....
Grainne O'Monghain, President and Chair of the Board of Trustees 2016-17

The notes on pages 18 to 32 form part of these financial statements.

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

COMPANY BALANCE SHEET
AS AT 31 JULY 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	12		245,807		279,373
Investments			2		2
			245,809		279,375
Current assets					
Debtors	14	76,819		201,868	
Cash at bank and in hand		276,993		154,642	
			353,812	356,510	
Creditors: amounts falling due within one year	15	(246,624)		(163,205)	
Net current assets			107,188	193,305	
Total assets less current liabilities			352,997	472,680	
Defined benefit pension scheme liability	20		(880,372)	(931,339)	
Net liabilities including pension scheme liabilities			(527,375)	(458,659)	
Charity Funds					
Restricted funds	16		45,061		34,084
Unrestricted funds	16		(572,436)		(492,743)
Total deficit			(527,375)	(458,659)	

The financial statements were approved by the Trustees on behalf, by:

and signed on their

.....
Grainne O'Monghain, President and Chair of the Board of Trustees 2016-17

The notes on pages 18 to 32 form part of these financial statements.

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

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	<u>278,019</u>	<u>(110,931)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,834	3,986
Proceeds from the sale of tangible fixed assets		2,000	333
Purchase of tangible fixed assets		<u>(120,377)</u>	<u>(241,794)</u>
Net cash used in investing activities		<u>(116,543)</u>	<u>(237,475)</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		<u>452,170</u>	<u>800,576</u>
Cash and cash equivalents carried forward	19	<u><u>613,646</u></u>	<u><u>452,170</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

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

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

The University of Hertfordshire Students' Union participates in the Students' Union Superannuation Scheme.

1.3 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.4 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

1. Accounting Policies (continued)

1.5 Income

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

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

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

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

1.6 Expenditure

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

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

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

Charitable activities and Governance costs are costs incurred on the Union's operations, including support costs and costs relating to the governance of the Union apportioned to charitable activities.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

1. Accounting Policies (continued)

1.7 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. After making appropriate enquiries, the Trustees have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt a going concern basis in preparing these financial statements. The Trustees are aware of the impact on the financial statements of the inclusion for the first time of the FRS102 standard. This includes the liabilities in relation to the closed defined pension scheme. There is a deficit reduction scheme in place to ensure these liabilities are fully met over the next 15 years.

1.8 Basis of consolidation

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

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the company was £(68,716) (2015 - £(55,833)).

1.9 Turnover

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

1.10 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1.11 Interest receivable

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

1. Accounting Policies (continued)

1.12 Stocks

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

1.13 Debtors

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

1.14 Cash at Bank and in hand

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

1.15 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.16 Financial instruments

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

1.17 Pensions

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

2. Income from donations and legacies

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
University Block grant	685,000	-	685,000	685,000
University grant for rent	782,770	-	782,770	880,074
	<u>1,467,770</u>	<u>-</u>	<u>1,467,770</u>	<u>1,565,074</u>
Other grant	35,000	-	35,000	21,000
Total donations and legacies	<u>1,502,770</u>	<u>-</u>	<u>1,502,770</u>	<u>1,586,074</u>

In 2015, of the total income from donations and legacies, £1,586,074 was to unrestricted funds and £ NIL was to restricted funds

3. Income from charitable activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Charity incoming resources	261,225	66,789	328,014	343,267
	<u>261,225</u>	<u>66,789</u>	<u>328,014</u>	<u>343,267</u>

In 2015, of the total income from charitable activities, £269,247 was to unrestricted funds and £74,020 was to restricted funds.

4. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Bank interest	1,834	-	1,834	2,055
	<u>1,834</u>	<u>-</u>	<u>1,834</u>	<u>2,055</u>

In 2015, of the total investment income, £2,055 was to unrestricted funds and £ NIL was to restricted funds.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

5. Support costs

	Governance £	Charitable activities £	Total 2016 £	Total 2015 £
Other support	88,938	398,003	486,941	214,384
Rent and rates	25,185	757,585	782,770	882,912
Taxation	-	7,224	7,224	2,047
Wages and salaries	203,937	489,199	693,136	493,859
National insurance	-	75,766	75,766	70,193
Pension cost	-	76,285	76,285	71,375
	<u>318,060</u>	<u>1,804,062</u>	<u>2,122,122</u>	<u>1,734,770</u>

6. Governance costs

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Support costs - Governance	114,123	-	114,123	96,548
Wages and salaries	203,937	-	203,937	201,563
	<u>318,060</u>	<u>-</u>	<u>318,060</u>	<u>298,111</u>

7. Analysis of resources expended by expenditure type

	Staff costs 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on fundraising trading	1,124,665	2,577,935	3,702,600	3,951,063
Costs of generating funds	1,124,665	2,577,935	3,702,600	3,951,063
Direct costs - Activities	641,250	1,162,812	1,804,062	1,734,770
Expenditure on governance	203,937	114,123	318,060	298,111
	<u>1,969,852</u>	<u>3,854,870</u>	<u>5,824,722</u>	<u>5,983,944</u>

8. Turnover

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

All turnover arose within the United Kingdom.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

9. Net incoming resources/(resources expended)

This is stated after charging:

	2016	<i>2015</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	153,890	<i>125,648</i>
	<u>153,890</u>	<u><i>125,648</i></u>

During the year, no Trustees received any benefits in kind (2015 - £NIL).

3 Trustees received reimbursement of expenses amounting to £274 in the current year, (2015 - 2 Trustees - £180).

10. Auditors' remuneration

The Auditor's remuneration amounts to an Audit fee of £15,000 (2015 - £18,120), and taxation services of £ -(2015 - £ -).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

11. Staff costs

Staff costs were as follows:

	2016	<i>2015</i>
	£	£
Wages and salaries	1,771,563	1,799,562
Social security costs	116,120	124,292
Other pension costs (Note 20)	82,169	78,306
	1,969,852	<i>2,002,160</i>
	1,969,852	<i>2,002,160</i>

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

	2016	<i>2015</i>
	No.	<i>No.</i>
Full time	50	50
Students	130	124
	180	<i>174</i>
	180	<i>174</i>

The number of higher paid employees was:

	2016	<i>2015</i>
	No.	<i>No.</i>
In the band £70,001 - £80,000	1	<i>1</i>

The key management personnel of the charity comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity and its subsidiaries was £293,139 (2015: £285,939). Of this, £105,061 (2015: £102,055) was paid to sabbatical officers for the representation, campaigning and support work they undertake as distinct from their trustee responsibilities, as authorised in the Union's governing document. This work includes voicing student opinion with the institution and local community, defending and extending the rights of students through petitions, discussion with MPs and also organising and supporting student volunteers and service provision for them.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

12. Tangible fixed assets

Group	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 August 2015	626,027	57,170	507,138	1,190,335
Additions	58,417	-	61,960	120,377
Disposals	(29,121)	(7,115)	-	(36,236)
	<u>655,323</u>	<u>50,055</u>	<u>569,098</u>	<u>1,274,476</u>
Depreciation				
At 1 August 2015	441,045	45,379	424,538	910,962
Charge for the year	92,727	5,145	56,018	153,890
On disposals	(29,068)	(7,115)	-	(36,183)
	<u>504,704</u>	<u>43,409</u>	<u>480,556</u>	<u>1,028,669</u>
Net book value				
At 31 July 2016	<u>150,619</u>	<u>6,646</u>	<u>88,542</u>	<u>245,807</u>
<i>At 31 July 2015</i>	<u>184,982</u>	<u>11,791</u>	<u>82,600</u>	<u>279,373</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

Company	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 August 2015	626,027	57,170	507,138	1,190,335
Additions	58,417	-	61,960	120,377
Disposals	(29,121)	(7,115)	-	(36,236)
At 31 July 2016	<u>655,323</u>	<u>50,055</u>	<u>569,098</u>	<u>1,274,476</u>
Depreciation				
At 1 August 2015	441,045	45,379	424,538	910,962
Charge for the year	92,727	5,145	56,018	153,890
On disposals	(29,068)	(7,115)	-	(36,183)
At 31 July 2016	<u>504,704</u>	<u>43,409</u>	<u>480,556</u>	<u>1,028,669</u>
Net book value				
At 31 July 2016	<u>150,619</u>	<u>6,646</u>	<u>88,542</u>	<u>245,807</u>
<i>At 31 July 2015</i>	<u>184,982</u>	<u>11,791</u>	<u>82,600</u>	<u>279,373</u>

13. Stocks

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Finished goods and goods for resale	<u>107,462</u>	<u>114,327</u>	<u>-</u>	<u>-</u>

14. Debtors

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	65,793	84,766	1,455	1,711
Amounts owed by group undertakings	-	-	29,312	166,486
Other debtors	29,426	11,260	14,718	10,508
Prepayments and accrued income	117,708	123,319	31,334	23,163
	<u>212,927</u>	<u>219,345</u>	<u>76,819</u>	<u>201,868</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

15. Creditors:
Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2016 £	2015 £	2016 £	2015 £
Trade creditors	201,113	95,390	67,632	15,770
Amounts owed to group undertakings	-	-	50,864	-
Corporation tax	7,224	2,047	-	-
Other taxation and social security	112,900	78,757	26,997	27,763
Other creditors	345,919	237,393	16,521	22,443
Accruals and deferred income	159,689	178,948	84,610	97,229
	<u>826,845</u>	<u>592,535</u>	<u>246,624</u>	<u>163,205</u>

16. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Capital grants fund	17,266	-	-	(5,145)	-	12,121
General funds						
Reserves	(510,009)	5,638,251	(5,768,911)	5,145	50,967	(584,557)
Total Unrestricted funds	(492,743)	5,638,251	(5,768,911)	-	50,967	(572,436)
Restricted funds						
Societies	31,461	66,789	(55,812)	-	-	42,438
Other	2,623	-	-	-	-	2,623
	<u>34,084</u>	<u>66,789</u>	<u>(55,812)</u>	<u>-</u>	<u>-</u>	<u>45,061</u>
Total of funds	<u>(458,659)</u>	<u>5,705,040</u>	<u>(5,824,723)</u>	<u>-</u>	<u>50,967</u>	<u>(527,375)</u>

Capital Grants Fund

A capital grant of £27,500 was provided by the University on 2013 to fund the purchase of a minibus. This is being released to unrestricted funds to match the depreciation charge of the capitalised asset.

Societies

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

Other

Other funds represent amounts received for specific minor projects.

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Summary of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	17,266	-	-	(5,145)	-	12,121
General funds	(510,009)	5,638,251	(5,768,911)	5,145	50,967	(584,557)
	<u>(492,743)</u>	<u>5,638,251</u>	<u>(5,768,911)</u>	<u>-</u>	<u>50,967</u>	<u>(572,436)</u>
Restricted funds	34,084	66,789	(55,812)	-	-	45,061
	<u>(458,659)</u>	<u>5,705,040</u>	<u>(5,824,723)</u>	<u>-</u>	<u>50,967</u>	<u>(527,375)</u>

17. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	245,807	-	245,807	279,377
Current assets	888,974	45,061	934,035	785,842
Creditors due within one year	(826,845)	-	(826,845)	(592,539)
Provisions for liabilities and charges	(880,372)	-	(880,372)	(931,339)
	<u>(572,436)</u>	<u>45,061</u>	<u>(527,375)</u>	<u>(458,659)</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(68,716)	(5,742)
Adjustment for:		
Depreciation charges	153,890	125,647
Dividends, interest and rents from investments	(1,834)	(3,986)
Profit on the sale of fixed assets	(1,947)	(333)
Decrease/(increase) in stocks	6,865	(34,788)
Decrease in debtors	6,418	87,841
Increase/(decrease) in creditors	234,310	(229,477)
Movement in provisions	(50,967)	(50,093)
Net cash provided by/(used in) operating activities	<u>278,019</u>	<u>(110,931)</u>

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19. Analysis of cash and cash equivalents

	2016	2015
	£	£
Cash in hand	613,646	452,170
Total	613,646	452,170

20. Pension commitments

"The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £24,843 (2015 - £26,195).

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

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

Pension provision

	2016	2015
	£	£
Provision at 1 August 2015	931,339	981,432
Repaid in year	(50,967)	(50,093)
At 31 July 2016	880,372	931,339

21. Operating lease commitments

At 31 July 2016 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group and Company	2016	2015
	£	£
Amounts payable:		
Within 1 year	274,995	381,500
Between 1 and 5 years	1,099,980	1,526,000
After more than 5 years	2,474,955	3,515,000
Total	3,849,930	5,422,500

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22. Related party transactions

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

University of Hertfordshire

The Union is in receipt of a recurrent grant from the parent body of £685,000 (2015: £685,000).

During the year the Union received an additional grant of £782,770 (2015: £880,074) to cover the rental payments due on the Forum & Hutton buildings and £35,000 (2015: £21,000) additional grants.

Transactions through the year resulted in a trading balance of £40,717 (2015: £66,416) owed to the University.

UHSU Enterprises Ltd

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

A management charge of £100,000 (2015: £100,000) was levied on this company. A payment by way of gift aid was received from the company amounting to £263,935 (2015: £204,732). The balance owed by the Union at 31 July 2016 was £50,864 (2015: £123,110 due from UHSU Enterprises Ltd).

UHSU Solutions Ltd

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

A management charge of £25,000 (2015: £25,000) was levied on this company. A payment by way of gift aid was received from the company amounting to £4,244 (2015: £18,376). The balance owed by UHSU Solutions Ltd at 31 July 2016 was £29,312 (2015: £43,376).

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23. First time adoption of FRS 102

It is the first year that the company has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 July 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 August 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

Reconciliation of total funds	Notes	<i>1 September 2014</i> £	<i>31 July 2015</i> £
Total funds under previous UK GAAP		528,515	472,682
Pension provision	A	(981,432)	(931,339)
Total funds reported under FRS 102		<u>(452,917)</u>	<u>(458,657)</u>

Reconciliation of net (expenditure)	Notes	<i>31 July 2015</i> £
Net (expenditure) previously reported under UK GAAP		(55,833)
Pension provision movement		50,093
Net movement in funds reported under FRS 102		<u>(5,740)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A The Union participates in the Students' Union Superannuation Scheme, which is a defined benefit scheme. The 2013 valuation of the scheme recommended a monthly contribution requirement by each participating employer intended to clear the ongoing funding deficit over a period of 17 years. The pension provision adjustment of £981,432 as at 1 September 2014 is the net present valuation of the expected contributions to the scheme deficit to 31 October 2031.

24. Principal subsidiaries

Company name	Country	Percentage Shareholding
UHSU Enterprises Ltd	England and Wales	100%
UHSU Solutions Ltd	England and Wales	100%