

**SHEFFIELD HALLAM UNIVERSITY
STUDENTS' UNION**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2018

SHEFFIELD HALLAM UNIVERSITY STUDENTS' UNION

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SHEFFIELD HALLAM UNIVERSITY STUDENTS' UNION

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

Trustees

Chris James, Student Trustee (resigned 31 July 2018)
Asim Mahood, Student Trustee (appointed 25 October 2018)
Beri Hare, External Trustee (appointed 18 June 2018)
Gwyn Arnold, External Trustee (resigned 31 July 2018)
Isabel Hartland, External Trustee
Oliver Coppard, External Trustee

Charity registered number

1141925

Principal office

The Hubs, Paternoster Row, Sheffield, S1 2QQ

Sabbatical officers

2018/19

Abdullah Okud, Nabeela Mowlana, Sheriff Muhammed, Bethany Howden, Harry Preston

2017/18

Luke Renwick, Davey Silver, Mohammed Abdulredha, Bethany Howden, Joshua Nimmins

Senior management team

Julie Byrd, Chief Executive
Maggie Hough, Director of Governance & Resources (left 2 March 2018)
Ben West, Director of Student and Brand Development (left 27 October 2017)
Mark Hewerdine, Director of Resources (joined 12 February 2018)
Claire Judge, Director of Digital, CRM, and Brand Strategy (joined 8 January 2018)
Jane Anslow, Director of Policy and Involvement

Independent auditors

BHP LLP, 2 Rutland Park, Sheffield, S10 2PD

Bankers

National Westminster Bank PLC, 1 St Paul's Place, 121 Norfolk Street, Sheffield, S1 2JF

Solicitors

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

DLA Piper UK LLPP, St Pauls Place, 121 Norfolk Street, Sheffield, S1 2JX

SHEFFIELD HALLAM UNIVERSITY STUDENTS' UNION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2018

The Trustees present their annual report together with the audited financial statements of Sheffield Hallam Students' Union (the Students' Union) for the period ended 31 July 2018. The Trustees confirm that the Annual report and financial statements of the Union comply with current statutory requirements, the requirements of the Union's governing document and 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) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company and the group qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

Summary of charity's objectives and activities undertaken in relation to these objects:

- The Students' Union's objects are the advancement of education of students at Sheffield Hallam University for the public benefit by:
 - o Promoting the interests and welfare of students at Sheffield Hallam University during their course of study, and representing, supporting and advising students
 - o Providing social, cultural and recreational activities and forums for discussions and debate for the personal development of its students
 - o Being the recognised representative channel between students and Sheffield Hallam University and any other external bodies

b. Main activities undertaken to further the charity's purposes for the public benefit

The trustees have had regard to the guidance issued by the Charity Commission on public benefit and confirm that the Students' Union continues to benefit the public as explained in the summary of objectives and activities.

Achievements and performance

a. Investment policy and performance

Investment performance:

- The Students' Union placed surplus funds on deposit with the bank, during the period they achieved a 0.05% rate of interest.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

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

b. Reserves policy

What are reserves?

Reserves are that part of a charity's unrestricted funds that are freely available to spend on any of the charity's purposes. This excludes:

- restricted & endowment funds
- tangible fixed assets (as they are required to maintain operations)
- amounts designated for essential future spending.

Why do we need reserves?

To ensure our long-term sustainability, enable us to improve our facilities and continue to provide services and activities during any short term reduction in income, by mitigating:

- a) The risk of unforeseen emergency or other unexpected need for funds, e.g. an unexpected large repair bill or funding for an urgent project.
- b) Covering unforeseen day-to-day operational costs, e.g. employing temporary staff to cover a long-term sick absence.
- c) A source of income, e.g. a grant, not being renewed, to give time to take action.
- d) Planned commitments, or designations, that cannot be met by future income alone, e.g. a major purchase or project.
- e) To fund short-term deficits in a cash budget.

If we conclude that our charity does not need to hold any reserves, then we must explain that in our annual report.

How much do we need in reserve?

The reserves level may be a target amount or range, for each reason set out above:

- a) To meet an unforeseen emergency or unexpected need - consider risks and how much might be needed for such contingencies; this will involve judgment of events that may occur and their likelihood.
- b) Do we need a small contingency to meet unforeseen operational costs?
- c) Uncertainty over future income may mean having reserves equivalent to a number of weeks of income, to allow time to develop new sources of income or to cut-back on expenditure.
- d) A planned spending commitment which cannot be met from future income, often this will be included within designations in accounts.
- e) An amount might be needed to cover 'troughs' in the cash budget - review budgets to ascertain how much might be needed.

In summary, the identified financial risks should influence the level of reserves we target and be explained in your reserves policy.

Assessing actual reserve at the end of the year

The final step is to compare the target reserve with actuals, explain any material difference and explain any action being taken or planned to bring reserves into line.

Information about the reserves policy and the level of reserves held must be included in the trustees' annual report.

SHSU Reserve Target Methodology

SHSU is heavily reliant upon grant funding from Sheffield Hallam University. The level of this grant is prescribed and linked to a formula and the Trustees believe that there is little likelihood of grant funding ceasing altogether and therefore consider that there is no need to maintain a level of reserves sufficient to cover expenditure made against grant funding.

SHSU also has a certain amount of commercial income and the trustees deem it prudent to maintain reserves sufficient to cover three months' worth of trading expenditure. This averages £80,000.

In addition the trustees believe the undepreciated value of fixtures and fittings should be held in reserves to cover the potential write off of any capital expenditure. This amount is currently around £110,000.

SHEFFIELD HALLAM UNIVERSITY STUDENTS' UNION

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

It is also considered reasonable to have £50,000 to £100,000 for other unexpected expenditure.

This gives an overall reserves target of £240,000 to £290,000

At 31 July 2018 the Union had total deficits of £1,428,245 (2017: £1,572,833). Restricted funds were £57,119 (2017: £62,539). Unrestricted funds were (£1,485,364) (2017: (£1,635,372)). Free reserves are set out below:

Unrestricted funds	(£1,485,364)
Less: fixed assets	(£153,605)
Less: designated funds	(£20,070)
Add: pension deficit	£2,007,549
Free reserves	£348,510

Free reserves are above the Union's target level of £290,000 following further investment.

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

c. Principal funding

Financial Review

Financial position

- The Students' Union's gross income from all sources totalled £3,212,578, (2017: £3,199,994). Total expenditure before exceptional costs was £3,155,990 (2017: £3,127,212). After taking account of exceptional costs, transfers and actuarial gains on the defined benefit pension schemes, there is a net increase in funds of £144,588 (2017: net decrease of £306,669).
- Funds carried forward as at 31 July 2018 total deficits of £1,428,245 (2017: £1,572,833) and comprise unrestricted funds excluding the pension liabilities of £502,115 (2017: £467,369), designated funds of £20,070 (2017: £nil), pension reserve deficit funding £2,007,549 (2017: £2,102,741) and a restricted fund surplus of £57,119 (2017: £62,539).
- The Students' Union has continued to benefit from the recognition and support of the University, and for the academic year 2017/18 the annual block grant was £2,458,407 (2017: £2,458,407). This is the principal funding of the Union.
- The Trustees confirm that the Students' Union has sufficient funds to meet all its expected obligations. The block grant for 2018/19 has been confirmed at £2,458,407.

c. 2020 Vision

Our vision is focused around four key themes:

- creating Student Communities and a sense of belonging
- offering life changing experiences
- being the student ally by providing a strong, democratic voice for students
- encouraging students to take care of their wellbeing

Within each of these themes two main goals were set to be achieved over the next four years and progress has made on most of these:

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

Our Student Communities need to:

Goal 1: be vibrant, and accessible to all students by:	Progress to date
<ul style="list-style-type: none"> ensuring value for money across all services <ul style="list-style-type: none"> focusing on services that generate maximum impact offering commercial services with products/services to suit our diverse student population becoming the "go to place" for events, performance and exhibitions expanding our physical presence across campus 	<ul style="list-style-type: none"> a project group has been set up to look at value for money, including the introduction of a student loyalty card and has met with action to agree/improve the value proposition across all departments the commercial services offering expanded and has increased its healthy, halal, gluten free and vegan options. More events, such as Hubstalks are taking place in Coffee Union various live music events have been held in the Hubs, at least two live music events per month are planned for the coming year plans are in place to improve both signage and the use of the Students' Union space at Collegiate.
Goal 2: engage Students 24/7 by:	Progress to date
<ul style="list-style-type: none"> creating a strong brand identity and communication strategy using on-line technical and digital platforms for 24/7 access and engagement understanding existing communities and creating new ones co-creating student services/space with the University building strong relationships with Union and university Alumni 	<ul style="list-style-type: none"> website was updated in January with improved branding, user experience and imagery campaigns to raise awareness of the Union are being spread throughout the year monthly NSS themed campaigns are ongoing to raise awareness of the Union. Student summer interns have enabled us to communicate more directly with students via podcasts and blogs the process of upskilling the brand development team has begun and all departments have been trained in the use of social media to enable them to better communicate more directly with students a new brand strategy is being developed to improve the impact of the Union's communications

SHEFFIELD HALLAM UNIVERSITY STUDENTS' UNION

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

To create Life Changing experiences we will:

Goal 3: focus on volunteering, activities, life skills training and employment opportunities by:	Progress to date
<ul style="list-style-type: none">• creating an award winning volunteering unit working in partnership with the University and local community• reviewing our employability strategy to support the University strategy• creating internal employment opportunities for students linked to a career/skills development programme that is accredited	<ul style="list-style-type: none">• The SU has significantly expanded its volunteering opportunities, including our one off programme and developing strong partnership arrangements with the University and Voluntary Action Sheffield• We are in the process of applying for the Sheffield Volunteering Standard as a prelude to going for Investors in Volunteering.• We have worked in partnership with the University to develop the new Hallam Award to ensure the involvement of more students whilst retaining our quality award offer• 2017-18 saw us employ 53 student staff. The feasibility study was carried out and approved by Directors in March 2018, resulting in the establishment of the Student Staff Development Project and an Implementation Plan which is being rolled out in 2018-19.
Goal 4: build a culture/brand that is energetic, innovative and responsive by:	Progress to date
<ul style="list-style-type: none">• rationalising our activities and ensuring they are accessible to all students• showcasing student work and celebrating diversity• making it easy for students to set up projects, events, activities and enterprise ideas• encouraging, capturing, assessing and growing the ideas of both students and staff• recognising students and staff for excellence, enterprise and ingenuity	<ul style="list-style-type: none">• further work has taken place over the summer to improve the spaces in the students' union to make them more attractive to students• an activities coordinator has been recruited to work with students and encourage and support them in creating their own events• two annual surveys of students' views are planned, along with regular feedback sessions to make sure that the Union is responding to the ideas put forward by students <p>Societies pre arrivals functionality on the website and marketing push has increase society membership</p>

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

To build a Strong Democratic Voice we will:

Goal 5: stand up for students and empower students to use their voice by:	Progress to date
<ul style="list-style-type: none"> • being the respected/authentic voice of the student body • establishing SHSU as the "Hallam Student Watchdog" over social change, quality of service and value for money • working with the University to clearly communicate with students what they get for their fees • championing and promoting the work of our Student Officers and all our student reps, preparing our representatives to challenge effectively 	<ul style="list-style-type: none"> • we have continued to produce our annual Student Voice report based on student feedback. The 2016-17 report made 23 recommendations which were well received by the University; the majority being achieved or significantly progressed. • Student Watchdog has been mainstreamed into the work of the Campaigns and Policy team in order to align it better strategically with that team's priorities. • training and support for Student Officers and reps has continued over the year, with our fulltime sabbatical officers attending an accredited ILM course
Goal 6: embed democracy at the heart of SHSU by:	Progress to date
<ul style="list-style-type: none"> • creating decision making processes that enable students and their elected representatives to effectively and collectively lead the Students' Union • promoting the work of elected representatives to help students realise the benefits of engaging with them • developing a communications plan to promote democracy and its importance to students and staff • identifying what constitutes being a good representative and recognising students who demonstrate it in their work 	<ul style="list-style-type: none"> • An external consultant was commissioned to review our governance structures and a consultation exercise with students, elected officers and trustees was carried out to shape the recommendations, the majority of which will go to referendum in March 2019. • An extensive review of the Student Representation system that we deliver, in partnership with the University, was carried out in Spring 2018, making 11 recommendations that will be implemented in academic year 2018-19, including the creation of a new Student Representation Partnership Steering Group.

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

To help students to take care of their wellbeing we will:

Goal 7: help students reach their full potential by:	Progress to date
<ul style="list-style-type: none"> • supporting students to cope with challenges that impact their wellbeing • promoting health and wellbeing as an important strand of our work that supports the University strategy • representing student views about the impact of University life on their wellbeing • raising awareness of issues around student mental health and developing solutions with the University • helping students to develop a balance lifestyle at University 	<ul style="list-style-type: none"> • The newly appointed Well-being Projects Coordinator promoted and ran an extensive programme of wellbeing initiatives and campaigns around student well-being, including mental health, homesickness and healthy eating • the Healthy Hallam campaign took place during the year • work has begun on establishing Student Healthwatch, which will enable students to be heard and help influence local health and social care services • The Student Union was part of a major national mental health survey carried out by Alterline to establish the scale of the issues at Hallam as well as the national picture. The results will shape our strategy and service delivery for the 2018-19 academic year.
Goal 8: provide easy access to information and advice for all students by:	Progress to date
<ul style="list-style-type: none"> • delivering an award winning confidential/independent advice/signposting service to support all students • encouraging student led projects around mentoring, advocacy and advice to integrate with university services • supporting students in their living environment, whether a University residence, private landlord or family home • working with the University to improve provision of support services for disadvantaged students • building partnerships between other organisations, charities and external agencies to support our work 	<ul style="list-style-type: none"> • the advice service retained its Advice Quality Standard accreditation in October 2017 • the annual housing fair continues to promote the Snug scheme accrediting landlords who provide a good standard of student housing • Work on growing the service and increasing awareness will continue through 2018-19 to ensure more students are engaging with our offer • The Advice Service's preventative work will develop further as will improved measurement of the impact of our work

SHEFFIELD HALLAM UNIVERSITY STUDENTS' UNION

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

Structure, governance and management

a. Method of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

b. Policies adopted for the induction and training of Trustees

The Students' Union provides both in house and external training for new trustees through both the NUS and the Charity Commission.

c. Pay policy for senior staff

Senior levels of pay are set by the Trustee Board, with other key managers paid on the NJC pay scale, with pay scales set by reference to job evaluation software.

d. Organisational structure and decision making

a. Sabbatical Trustees

Up to six Sabbatical Trustees are elected by secret ballot by the Members of the Students' Union at an election held in accordance with the Bye-laws and the Education Act 1994, and remain in office for a term of usually twelve months in accordance with the Bye-laws and the Education Act 1994. The term of office may be shorter or longer on a transitional basis to coincide with an alteration of the year start or end. The Sabbatical Trustees are elected to posts set out in the Bye-laws. At the same time as commencing the term of office as a trustee the Sabbatical Trustees enter into a contract of employment with the Students' Union.

b. Student Trustees

Up to four Student Trustees are elected by secret ballot by the Members of the Students' Union at an election held in accordance with the Bye-laws and the Education Act 1994. Student Trustees are appointed for the remainder of their time as a student at Sheffield Hallam University, or a maximum term of three years, whichever is the shorter. The Student Trustees are not deemed to be "major office holders" for the purposes of section 22 of the Education Act 1994.

c. External Trustees

Up to four External Trustees are appointed by the Appointments Panel for a period of 4 years. External Trustees may serve a maximum of two 4 year terms.

The trustees delegate the day-to-day management of the Students' Union through the joint Chairs to the Chief Executive who in turn, line manages full-time members of staff experienced in the running of the Students' Union's activities.

e. Related party relationships

The relationship between the University and the Students' Union is established in the Regulations of the University and detailed in Students' Union rules approved by both organisations. The Students' Union receives a block grant from the University, and occupies a building owned by the University, for which it pays rent. Although the Students' Union continues to generate supplementary funding from various mutual trading activities, it will always be dependent on the University's support.

f. Risk management

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

Plans for future periods

a. Future developments

Over the next three years we will continue to work towards the goals that have been set out above to meet the four themes of the 2020 vision. In addition we will put in place the systems and processes that will be required to enable staff to deliver the vision. This will include exploring the options of a new or much improved building, working towards staff wellbeing accreditation and developing our digital capabilities.

Information on fundraising practices

We undertake no fundraising activities within the scope of Charities (Protection and Social Investment) Act 2016.

Funds held as custodian

The Union provides safe custody for the unspent RAG monies. On 31 July the amount held was £669 (2017: £659), which is included within other creditors in note 19 on page 25 of these financial statements.

Trustees' responsibilities statement

The Trustees 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).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to

SHEFFIELD HALLAM UNIVERSITY STUDENTS' UNION

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

ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, on 3 December 2018 and signed on their behalf by:



Oliver Coppard, External Trustee

Opinion

We have audited the financial statements of Sheffield Hallam University Students' Union (the 'charity') for the year ended 31 July 2018 set out on pages 16 to 41. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2018 and of its incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and 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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SHEFFIELD HALLAM UNIVERSITY STUDENTS' UNION

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

SHEFFIELD HALLAM UNIVERSITY STUDENTS' UNION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF SHEFFIELD HALLAM UNIVERSITY STUDENTS' UNION

BHP LLP

BHP LLP

Chartered Accountants
Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD

3 December 2018

BHP LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

SHEFFIELD HALLAM UNIVERSITY STUDENTS' UNION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	2	2,458,407	11,448	2,469,855	2,536,449
Charitable activities	3	529,956	148,791	678,747	580,655
Other trading activities	4	36,539	-	36,539	55,074
Investments	5	228	-	228	375
Other income	6	27,209	-	27,209	27,441
Total income		3,052,339	160,239	3,212,578	3,199,994
Expenditure on:					
Raising funds	7	67,426	-	67,426	62,848
Charitable activities	8	2,934,475	154,089	3,088,564	3,064,364
Exceptional income	9	-	-	-	428,451
Total expenditure	9	3,001,901	154,089	3,155,990	3,555,663
Net income / (expenditure) before transfers		50,438	6,150	56,588	(355,669)
Transfers between funds	22	11,570	(11,570)	-	-
Net income / (expenditure) before other recognised gains and losses		62,008	(5,420)	56,588	(355,669)
Actuarial gains / (losses) on defined benefit pension schemes	26	88,000	-	88,000	49,000
Net movement in funds		150,008	(5,420)	144,588	(306,669)
Reconciliation of funds:					
Total funds brought forward		(1,635,372)	62,539	(1,572,833)	(1,266,164)
Total funds carried forward		(1,485,364)	57,119	(1,428,245)	(1,572,833)

The notes on pages 19 to 41 form part of these financial statements.

SHEFFIELD HALLAM UNIVERSITY STUDENTS' UNION

BALANCE SHEET
AS AT 31 JULY 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	16		153,605		123,865
Current assets					
Stocks	17	31,048		18,906	
Debtors	18	69,302		80,387	
Cash at bank and in hand		565,071		488,082	
		<u>665,421</u>		<u>587,375</u>	
Creditors: amounts falling due within one year	19	<u>(327,923)</u>		<u>(269,534)</u>	
Net current assets			<u>337,498</u>		<u>317,841</u>
Total assets less current liabilities			<u>491,103</u>		<u>441,706</u>
Creditors: amounts falling due after more than one year	20		<u>(1,936,348)</u>		<u>(1,953,539)</u>
Net liabilities excluding pension scheme assets/(liabilities)			<u>(1,445,245)</u>		<u>(1,511,833)</u>
Defined benefit pension scheme asset/(liability)	26		<u>17,000</u>		<u>(61,000)</u>
Net liabilities including pension scheme assets/(liabilities)			<u><u>(1,428,245)</u></u>		<u><u>(1,572,833)</u></u>
Charity Funds					
Restricted funds	22		57,119		62,539
Unrestricted funds	22		<u>(1,485,364)</u>		<u>(1,635,372)</u>
Total deficit			<u><u>(1,428,245)</u></u>		<u><u>(1,572,833)</u></u>

The financial statements were approved by the Trustees on 3 December 2018 and signed on their behalf, by:



Oliver Coppard

The notes on pages 19 to 41 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	24	<u>259,004</u>	<u>9,131</u>
Cash flows from investing activities:			
Bank interest		228	375
Purchase of tangible fixed assets		<u>(92,719)</u>	<u>(26,500)</u>
Net cash used in investing activities		<u>(92,491)</u>	<u>(26,125)</u>
Cash flows from financing activities:			
Net deficit contributions		<u>(89,524)</u>	<u>-</u>
Net cash used in financing activities		<u>(89,524)</u>	<u>-</u>
Change in cash and cash equivalents in the year		76,989	(16,994)
Cash and cash equivalents brought forward		<u>488,082</u>	<u>505,076</u>
Cash and cash equivalents carried forward	25	<u><u>565,071</u></u>	<u><u>488,082</u></u>

The notes on pages 19 to 41 form part of these financial statements.

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

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the Unkited Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011 as amended by Update Bulletin 1 (effective 1 January 2015).

Sheffield Hallam University Students' Union constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in £ sterling which is the functional currency of the Union and rounded to the nearest £1.

1.2 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 income receivable can be measured reliably.

Donated services or facilities are recognised when the charity 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 charity 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 charity which is the amount the charity 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.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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

1. Accounting Policies (continued)

1.3 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 charity 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 charity 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.

1.4 Expenditure

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

Costs of raising 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 activities, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

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

Building Improvements	-	3 - 10 years
Fixtures and fittings	-	3 - 10 years

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

1. Accounting Policies (continued)

1.6 Interest receivable

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

1.7 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.

1.8 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.

1.9 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.

1.10 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 charity 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.

1.11 Financial instruments

The charity 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.

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

1. Accounting Policies (continued)

1.12 Pensions

The Union participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. Under the terms of FRS102, in these circumstances contributions are accounted for as if the Scheme were a defined contribution scheme based on actual contributions paid through the year. The present value of the Union's deficit contribution is recognised as a liability in accordance with SORP (FRS102).

The Union also contributes to defined contribution pension schemes for its employees. The pension charge represents the amounts payable by the company to the fund in respect of the year.

1.13 Critical accounting estimates and areas of judgment

The Union makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) SUSS pension deficit

The Union is committed to provide deficit funding to the Students' Union Superannuation Pension Scheme, of which it is a contributing employer.

Under SORP FRS 102, the present value of the future deficit contributions is recognised. The calculation of the present value of the future deficit contributions is subject to an assumption of a discount rate. The discount rate used is determined by reference to market yields on high quality corporate bonds.

(ii) Support costs

Staffing and administration support costs are allocated across the various activities of the Union. Support costs are allocated on the basis set out in note 11 to the accounts.

1.14 Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

SHEFFIELD HALLAM UNIVERSITY STUDENTS' UNION

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

2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Block grant	2,458,407	-	2,458,407	2,458,407
Other grants	-	11,448	11,448	78,042
Total donations and legacies	2,458,407	11,448	2,469,855	2,536,449
Total 2017	2,460,149	76,300	2,536,449	

3. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Shop sales	118,600	-	118,600	97,708
NUS Extra cards	38,289	-	38,289	42,193
Bar sales	147,461	-	147,461	136,421
Games & vending	-	-	-	533
Catering	134,396	-	134,396	110,552
Events	79,583	9,711	89,294	74,462
Clubs & societies	-	139,080	139,080	101,282
Other	10,596	-	10,596	16,851
Volunteering	1,031	-	1,031	653
	529,956	148,791	678,747	580,655
Total 2017	472,425	108,230	580,655	

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

4. Fundraising income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Welcome week	17,747	-	17,747	40,254
Advertising	18,792	-	18,792	14,820
	<u>36,539</u>	<u>-</u>	<u>36,539</u>	<u>55,074</u>
Total 2017	<u>55,074</u>	<u>-</u>	<u>55,074</u>	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	228	-	228	375
	<u>228</u>	<u>-</u>	<u>228</u>	<u>375</u>
Total 2017	<u>375</u>	<u>-</u>	<u>375</u>	

6. Other incoming resources

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Commission	24,455	-	24,455	23,361
Facility hire	229	-	229	1,380
Other	2,525	-	2,525	2,700
	<u>27,209</u>	<u>-</u>	<u>27,209</u>	<u>27,441</u>
Total 2017	<u>27,441</u>	<u>-</u>	<u>27,441</u>	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**
7. Costs of raising funds

	Direct costs £	Support costs £	2018 £	2017 £
Voluntary fundraising	-	14,233	14,233	12,722
Commercial activities	-	53,193	53,193	50,126
	-	67,426	67,426	62,848
Total 2017	-	62,848	62,848	

8. Charitable activities for students

	Unrestricted £	Restricted £	2018 £	2017 £
Media	9,276	-	9,276	8,328
Student voice	727,445	13,032	740,477	779,067
Activities & development, volunteering	630,175	11,262	641,437	697,202
Bars & kitchens	659,829	-	659,829	633,653
Shops	271,784	-	271,784	250,719
Entertainment	164,295	-	164,295	141,217
Clubs & societies	395,978	129,795	525,773	498,432
Governance costs (note 10)	65,693	-	65,693	56,746
Pension costs	8,000	-	8,000	(4,000)
Pension finance costs	2,000	-	2,000	3,000
	2,934,475	154,089	3,088,564	3,064,364
Total 2017	2,947,882	117,482	3,065,364	

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

9. Total resources expended

	Supplies and consumables £	Staff costs £	Costs incurred in support of student activity £	2018 £	2017 £
Costs of raising funds					
Volunteering fundraising	-	-	14,233	14,233	12,722
Commercial activities	-	-	53,193	53,193	50,126
Charitable activities for students					
Media	-	6,075	3,201	9,276	8,328
Student voice	-	547,817	192,660	740,477	779,067
Activities & development, volunteering	-	415,378	226,059	641,437	697,202
Bars & kitchens	82,981	307,816	269,032	659,829	633,653
Shops	61,881	105,904	103,999	271,784	250,719
Entertainment	16,463	79,482	68,350	164,295	141,217
Societies & clubs	129,795	-	395,978	525,773	498,432
Governance	-	31,819	33,874	65,693	56,746
Pension employer contributions	-	-	8,000	8,000	(4,000)
Pension finance costs	-	-	2,000	2,000	3,000
Exceptional expenditure	-	-	-	-	428,451
	291,120	1,494,291	1,370,579	3,155,990	3,555,663
Total 2017	236,840	1,513,408	1,805,415	3,555,663	

Exceptional expenditure

As detailed in note 26 on page 39, at the February SUSS annual meeting it was decided that the employer contributions would increase by 20% from October 2017 and by a further 5% in each subsequent year. This recovery plan is now due to end in June 2033 rather than June 2031 as previously anticipated. This actuarial adjustment has originally resulted in an increase to the calculation of the present value of the future deficit contributions previously recognised, totalling £428,451 detailed above in 2017.

10. Governance costs

	2018 £	2017 £
Governance	65,693	56,746

Included in the above governance costs is the annual audit fee of £11,400 (2017: £11,506), which includes non-audit fees of £nil (2017: £nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**
11. Support costs

	2018 £	2017 £
Insurance	27,541	27,299
NUS affiliation	54,770	52,155
Training & development	40,518	33,637
Recruitment	15,187	2,502
Marketing and promotional	31,922	46,151
Executive costs	24,757	23,220
IT	35,167	38,416
Finance	21,892	22,929
Office support	17,278	23,730
Repairs and maintenance	29,624	28,531
Legal and professional	20,040	23,038
Depreciation	55,633	52,873
Pension finance costs	72,331	68,188
Total	446,660	442,669

The support costs detailed above are allocated dependent upon the nature of the expenditure. Insurance costs and pension finance costs are allocated on CR weighting. NUS affiliation, IT, finance, office support, repairs and maintenance and legal and professional costs are all allocated on NUS weighting. Training and development and recruitment costs are allocated on HR weighting. Marketing and promotional costs are allocated on marketing weighting. Executive costs are allocated on executive weighting. Depreciation is allocated to the activity to which it relates.

12. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	55,633	52,873
Loss on sale of fixed assets	7,346	2,450
Auditors' remuneration - audit	11,400	11,506
Operating lease rentals	1,021	8,979

13. Auditors' remuneration

The Auditor's remuneration amounts to an Audit fee of £11,400 (2017 - £11,506), and is included within governance costs (note 10).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**14. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Other pension costs (Note 26)	8,000	(4,000)

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

	2018 No.	2017 No.
Trading Operations: Permanent staff	7	7
Trading Operations: Temporary staff	8	6
Student Services: Permanent staff	53	57
Other	3	2
	71	72

The number of higher paid employees was:

	2018 No.	2017 No.
In the band £ 60,001 - £ 70,000	1	0

The total remuneration and benefits received by key management personnel were £334,126 (2017: £286,408). The Union consider senior management personnel to be the Chief Executive Officer, and the Directors of Governance, Resources, Student and Brand Development, Digital and Brand Strategy, Policy and Involvement and the Sabbatical Officers.

	2018 £	2017 £
Wages and salaries	1,571,036	1,581,496
Social security costs	126,946	127,317
Pension costs (note 26)	63,930	55,216
Total	1,761,912	1,764,029

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

15. Other finance income

	2018 £	2017 £
Interest income on pension scheme assets	22,000	18,000
Interest on pension scheme liabilities	(24,000)	(21,000)
	<u>(2,000)</u>	<u>(3,000)</u>

16. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 August 2017	318,215	607,488	925,703
Additions	44,143	48,576	92,719
Disposals	(120,213)	(196,589)	(316,802)
At 31 July 2018	<u>242,145</u>	<u>459,475</u>	<u>701,620</u>
Depreciation			
At 1 August 2017	287,265	514,573	801,838
Charge for the year	28,092	27,541	55,633
On disposals	(118,392)	(191,064)	(309,456)
At 31 July 2018	<u>196,965</u>	<u>351,050</u>	<u>548,015</u>
Net book value			
At 31 July 2018	<u>45,180</u>	<u>108,425</u>	<u>153,605</u>
At 31 July 2017	<u>30,950</u>	<u>92,915</u>	<u>123,865</u>

17. Stocks

	2018 £	2017 £
Finished goods and goods for resale	<u>31,048</u>	<u>18,906</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**18. Debtors**

	2018	2017
	£	£
Trade debtors	20,285	13,814
Other debtors	3,335	12,449
Prepayments and accrued income	45,682	54,124
	<u>69,302</u>	<u>80,387</u>

19. Creditors: Amounts falling due within one year

	2018	2017
	£	£
SUSS defined benefit scheme funding deficit liability (note 26)	88,201	88,202
Trade creditors	100,660	76,236
Other taxation and social security	-	30,391
Other creditors	45,201	3,834
Accruals and deferred income	93,861	70,871
	<u>327,923</u>	<u>269,534</u>

Deferred income

	£
Deferred income at 1 August 2017	1,868
Resources deferred during the year	6,878
Amounts released from previous years	(1,868)
Deferred income at 31 July 2018	<u>6,878</u>

Income has been deferred for sources of income in relation to events and activities which have not been carried out at the year end.

20. Creditors: Amounts falling due after more than one year

	2018	2017
	£	£
SUSS defined benefit scheme funding deficit liability (note 26)	<u>1,936,348</u>	<u>1,953,539</u>

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

21. Prior year adjustment

A prior period adjustment has been included in the accounts to adjust the revaluation of the pension scheme made in the prior year. The pension liability was decreased by £24,762 and the loss on revaluation of the pension scheme on the face of the SOFA was decreased to ensure the revaluation was accurately reflected in the prior year accounts.

22. Statement of funds**Statement of funds - current year**

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2018 £
Designated funds						
Hardship fund	-	2,000	-	-	-	2,000
Black History Month	-	4,000	-	-	-	4,000
Student Placements	-	2,500	-	-	-	2,500
Student Societies Funding	-	-	-	2,867	-	2,867
Social Entrepreneurship	-	-	-	1,428	-	1,428
Housing Fair	-	-	-	7,275	-	7,275
	-	8,500	-	11,570	-	20,070
General funds						
Unrestricted funds	467,369	3,043,839	(2,919,570)	(89,523)	-	502,115
Pension reserve - SYPA	(61,000)	-	(10,000)	-	88,000	17,000
Pension reserve - SUSS	(2,041,741)	-	(72,331)	89,523	-	(2,024,549)
	(1,635,372)	3,043,839	(3,001,901)	-	88,000	(1,505,434)
Total Unrestricted funds	(1,635,372)	3,052,339	(3,001,901)	11,570	88,000	(1,485,364)
Restricted funds						
Clubs & societies	37,568	138,786	(129,793)	(2,867)	-	43,694
Social entrepreneurship	8,496	-	(6,666)	(1,428)	-	402
Arts & communities	5,243	4,000	(4,597)	-	-	4,646
Housing fair	4,165	9,711	(6,601)	(7,275)	-	-
Development funds	4,170	-	-	-	-	4,170
Grad Intern support	2,897	-	(2,897)	-	-	-
Bright Ideas project	-	294	-	-	-	294
SU Conference	-	7,448	(3,535)	-	-	3,913
	62,539	160,239	(154,089)	(11,570)	-	57,119
Total of funds	(1,572,833)	3,212,578	(3,155,990)	-	88,000	(1,428,245)

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

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2017 £
General funds						
Unrestricted funds	338,101	3,015,664	(2,879,956)	(6,440)	-	467,369
Pension reserve - SYPA	(111,000)	-	1,000	-	49,000	(61,000)
Pension reserve -SUSS	(1,545,101)	-	(496,640)	-	-	(2,041,741)
	<u>(1,318,000)</u>	<u>3,015,664</u>	<u>(3,375,596)</u>	<u>(6,440)</u>	<u>49,000</u>	<u>(1,635,372)</u>
Restricted funds						
Clubs & societies	31,505	101,282	(95,219)	-	-	37,568
Social entrepreneurship	18,048	5,000	(20,565)	6,013	-	8,496
Arts & communities	1,548	17,000	(13,305)	-	-	5,243
Housing fair	735	9,948	(6,898)	380	-	4,165
Development funds	-	27,000	(22,830)	-	-	4,170
Grad Intern support	-	18,000	(15,103)	-	-	2,897
Campaign funds	-	6,100	(6,147)	47	-	-
	<u>51,836</u>	<u>184,330</u>	<u>(180,067)</u>	<u>6,440</u>	<u>-</u>	<u>62,539</u>
Total of funds	<u>(1,266,164)</u>	<u>3,199,994</u>	<u>(3,555,663)</u>	<u>-</u>	<u>49,000</u>	<u>(1,572,833)</u>

Summary of funds - current year

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2018 £
Designated funds	-	8,500	-	11,570	-	20,070
General funds	(1,635,372)	3,043,839	(3,001,901)	-	88,000	(1,505,434)
	<u>(1,635,372)</u>	<u>3,052,339</u>	<u>(3,001,901)</u>	<u>11,570</u>	<u>88,000</u>	<u>(1,485,364)</u>
Restricted funds	62,539	160,239	(154,089)	(11,570)	-	57,119
	<u>(1,572,833)</u>	<u>3,212,578</u>	<u>(3,155,990)</u>	<u>-</u>	<u>88,000</u>	<u>(1,428,245)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**22. Statement of funds (continued)****Summary of funds - prior year**

	Balance at 1 August 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2017 £
General funds	(1,318,000)	3,015,664	(3,375,596)	(6,440)	49,000	(1,635,372)
Restricted funds	51,836	184,330	(180,067)	6,440	-	62,539
	<u>(1,266,164)</u>	<u>3,199,994</u>	<u>(3,555,663)</u>	<u>-</u>	<u>49,000</u>	<u>(1,572,833)</u>

Restricted funds:

Clubs & Societies represents monies raised for the purpose of furthering their particular activity.

Social entrepreneurship represents monies to be paid to support students setting up social enterprises.

Arts & communities represents monies held for the Nightline project and burglary reduction campaign. Funds for the burglary reduction campaign represents monies held for future campaigning to help prevent burglaries amongst student communities.

Housing fair represents monies held for annual housing fairs to raise awareness amongst students of their housing rights and the SNUG landlord scheme.

Development funds represents monies received for the development of societies and SHU Media.

Grad intern support represents funds received for additional Grad intern support for democracy and diversity.

Bright ideas projects represents monies to support student-led social enterprises and community projects

SU Conference funds represents monies to deliver projects relating to hate crime

Transfers between funds:

£11,570 of transfers represent the designation of unrestricted funds for specific future projects.

£89,523 represents contributions made to the SUSS pension scheme out of unrestricted funds.

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

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	153,605	-	153,605
Current assets	608,302	57,119	665,421
Creditors due within one year	(327,923)	-	(327,923)
Creditors due in more than one year	(1,936,348)	-	(1,936,348)
Provisions for liabilities and charges	17,000	-	17,000
	<u>(1,485,364)</u>	<u>57,119</u>	<u>(1,428,245)</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	123,865	-	123,865
Current assets	524,836	62,539	587,375
Creditors due within one year	(269,534)	-	(269,534)
Creditors due in more than one year	(1,953,539)	-	(1,953,539)
Provisions for liabilities and charges	(61,000)	-	(61,000)
	<u>(1,635,372)</u>	<u>62,539</u>	<u>(1,572,833)</u>

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

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

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	56,588	(355,669)
Adjustment for:		
Depreciation charges	55,633	52,873
Bank interest	(228)	(375)
Loss on the sale of fixed assets	7,346	2,450
(Increase)/decrease in stocks	(12,142)	6,327
Decrease in debtors	11,085	71,380
Increase/(decrease) in creditors	58,391	(263,494)
SUSS defined benefit pension adjustment	-	428,451
Pension finance costs	82,331	67,188
Net cash provided by operating activities	259,004	9,131

25. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	565,071	488,082
Total	565,071	488,082

26. Pension commitments

The Union operates a Defined benefit local government 'South Yorkshire Pension Fund'
Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages) :

	2018	2017
Discount rate at 31 July	2.90 %	2.50 %
Future salary increases	3.45 %	3.45 %
Future pension increases	2.30 %	2.20 %
Inflation rate	2.20 %	2.20 %

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

26. Pension commitments (continued)

The assets in the scheme and the expected rates of return were:

	Fair value at 31 July 2018 £	Fair value at 31 July 2017 £
Equities	520,000	513,000
Government bonds	140,000	116,000
Other bonds	71,000	57,000
Property	95,000	77,000
Cash/liquidity	45,000	17,000
Other	106,000	63,000
Total market value of assets	<u>977,000</u>	<u>843,000</u>

The amounts recognised in the Statement of financial activities are as follows:

	2018 £	2017 £
Current service cost	(19,000)	(17,000)
Interest on obligation	(24,000)	(21,000)
Expected return on scheme assets	22,000	18,000
Total	<u>(21,000)</u>	<u>(20,000)</u>
Actual return on scheme assets	<u>64,000</u>	<u>93,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	904,000	840,000
Current service cost	19,000	17,000
Member contributions	5,000	4,000
Actuarial (gains) / losses	(46,000)	50,000
Benefits / transfers paid	54,000	(28,000)
Interest on pension liabilities	24,000	21,000
Closing defined benefit obligation	<u>960,000</u>	<u>904,000</u>

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

26. Pension commitments (continued)

Changes in the fair value of scheme assets were as follows:

	2018	2017
	£	£
Opening fair value of scheme assets	843,000	729,000
Actuarial gains and (losses)	42,000	99,000
Interest on plan assets	22,000	18,000
Member contributions	5,000	4,000
Benefits paid	54,000	(28,000)
Employer contributions	11,000	21,000
	<hr/>	<hr/>
Closing	977,000	843,000
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £88,000 gain (2017 - £49,000 gain).

The Union expects to contribute £17,360 to its Defined benefit pension scheme in 2019.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2018	2017
Equities	53.20 %	60.80 %
Government bonds	14.30 %	13.80 %
Other bonds	7.30 %	6.80 %
Property	9.70 %	9.10 %
Cash/liquidity	4.60 %	2.00 %
Other	10.90 %	7.50 %

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

26. Pension commitments (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2018 £	2017 £
Defined benefit obligation	(960,000)	(904,000)
Scheme assets	977,000	843,000
Surplus/(deficit)	<u>17,000</u>	<u>(61,000)</u>

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

26. Pension commitments (continued)

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 most recent valuation of the Scheme was carried out as at 30 June 2016 and showed that the market value of the Scheme's assets was £101.3m with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £119.7m.

The assumptions which have the most significant effect upon the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The following assumptions applied at 30 June 2016:-

The investment return would be 4.3% per annum before retirement and 2.3% per annum after retirement

Pensions accruing on the CARE basis would revalue at 3.5% per annum.

Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2016 valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 19 years and 9 months ending June 2033 and will increase by 20% in 2017/18 and 5% each remaining year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2017 and will be formally reviewed following completion of the next valuation due with an effective date of 30 June 2019. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. In addition to the above contributions, the Union also pays its share of the Scheme's levy to the Pension Protection Fund.

Under FRS102 the Unions is required to recognise as a liability the present value of its agreed share of future deficit contributions. Finance costs are recognised as the present value unwinds.

The total contributions paid into the Scheme by Sheffield Hallam University Students' Union in respect of eligible employees for the year ended 31 July 2018 amounted to £89,524 (2017: £nil). The amount owed by Sheffield Hallam University Students' Union in respect of future contributions at the year end was £2,024,549 (2017: £2,041,741). The amounts due within one year are £88,201 (2017: £88,202).

The Union participates in the NUS Pension Scheme, a defined contribution pension scheme. The assets of the scheme are held separately from those of the Union in an independently administered fund. The pension costs charged represents contributions payable by the Union to the fund and amounted to £55,930 (2017: £55,216). There are unpaid contributions of £271 (2017: £2,161) at the year end and included within other creditors in note 19 to the financial statements.

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

27. Operating lease commitments

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	2,463	8,354
Between 1 and 5 years	550	1,346
Total	<u>3,013</u>	<u>9,700</u>

28. 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.

Sheffield Hallam University

The Union is in the receipt of a block grant from Sheffield Hallam University of £2,458,407 (2017: £2,458,407), along with further non-recurrent grants of £nil (2017: £72,100). It also purchased services from the University of £424,287 (2017: £414,756) and provided services to the University of £142,923 (2017: £130,286). At the year-end a balance of £54,552 (2017: £33,695) is included within trade creditors and a balance of £7,342 (2017: £13,932) is included within trade debtors. Included in the purchases figure is the annual rent charged to the Union during the year totalling £178,792 (2017: £178,792), for occupation and use of the HUBS building.

The Board of Trustees

The elected officers of the Board of Trustees receive remuneration for their services as provided for within the Constitution. The aggregate amount payable under such contracts in the 12 month period was £89,963 (2017: £87,190).

29. Ultimate controlling party

The Union is controlled by the Board of Trustees. The ultimate control of the Union is vested under the constitution in the membership in General Meetings. As such no single person or entity controls the Union as defined by Financial Reporting Standard 8.

30. Status

The Union is a charity for the purposes of the Charities Act 2011 having registered with the charity Commission on 16 May 2011 (no. 1141925). Prior to that date its charitable status was derived from Sheffield Hallam University.

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

31. Contingent Liability

During the year the charity was made aware of a possible increase in the liability for the pension deficit. The outcome of this contingent liability is not yet known and it cannot be quantified at this stage. As a result, the charitable company do not consider it necessary to provide for any additional liabilities in the accounts for the year ended 31 July 2018.

32. Trustees' remuneration and expenses

Each of the five sabbatical officers received £17,739 for the year, as authorised in the Union's governing document, for the representation, campaigning and support work they undertake as distinct from their Trustee responsibilities. This work includes voicing student opinion with the institution and local community, defending and extending the rights of students through petitions, discussion with MP's and also organising and supporting student volunteers and service provision for them.

There were no other Trustee benefits for the year.

During the year, the Trustees incurred expenses of £743 (2017: £53) relating to one Trustee (2017: one Trustee).

