

**LIVERPOOL HOPE STUDENTS' UNION  
FINANCIAL STATEMENTS  
31 JULY 2019**

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**YEAR ENDED 31 JULY 2019**

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# LIVERPOOL HOPE STUDENTS' UNION

## REFERENCE AND ADMINISTRATION INFORMATION

YEAR ENDED 31 JULY 2019

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**Trustees:**

Feihelm Doolin	Chair & President (to June 2019)
Haris Rachid	Chair & President (from July 2019)
Luke Skilbeck	VP Education (to June 2019)
Caitrona Cairns	Student Trustee (until June 2019) & VP Education (from July 2019)
Niamh Fearon	VP Welfare & Community (to June 2019)
Emma Moriarty	VP Welfare & Community (from July 2019)
Edward Craig	Student Trustee (until 31 <sup>st</sup> July 2019)
Safyah Ali	Student Trustee (until Dec 2018)
Carys Jones	External Trustee (until Jan 2019)
Justine Dyson	External Trustee (from Oct 2015)
Jaine Pickering	External Trustee (until Feb 2019)
Andrew West	External Trustee (until Jan 2019)
Cate Murphy	External Trustee (from Mar 2019)
Gareth Dowling	External Trustee (from Mar 2019)
Sheila Coleman	External Trustee (from Mar 2019)
Gemma Sparkes	Student Trustee (from Feb 2019)
Lucy Armstrong	Student Trustee (from July 2018)

**General Managers:** Ruth Dalton (until 15<sup>th</sup> March 2019)  
Richard Hughes (from 1<sup>st</sup> May 2019)

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**Official Name:** Liverpool Hope Students' Union

**Principal Address:** Hope Park  
Taggart Avenue  
Liverpool  
L16 9JD

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**Independent Examiner:** M Jayson, FCA  
Crowe UK LLP  
3rd Floor  
The Lexicon  
Manchester  
M2 5NT

**Bankers:** NatWest Bank  
Allerton Road  
Liverpool  
L18 2JN

# **LIVERPOOL HOPE STUDENTS' UNION**

## **REPORT OF THE TRUSTEES**

### **YEAR ENDED 31 JULY 2019**

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The Trustee Board present their report and financial statements for the year ended 31 July 2019.

Following the entry into effect of the new Financial Reporting Standard for Smaller Entities (FRSSE 2015), the Trustee Board have adopted the provisions of the 2015 Charities Statement of Recommended Practice – the Charities SORP 2015 (FRS 102), in preparing the annual report and financial statements.

#### **Status and Administration**

The charity is constituted in accordance with its constitution, and is administered and managed by the Sabbatical Officer Trustees, appointed from time to time. An Annual General Meeting of the student body is held at least once in each academic year.

The Sabbatical Officer Trustees are elected by the membership to take office on 1 July in the year in which they are elected and hold office for one year until the following 30 June.

#### **Charitable Objects and the Advancement of Public Benefit**

The Trustees have had regard to the Charity Commission's guidance on public benefit. Liverpool Hope Students' Union seeks to enhance the advancement of education of Students at Liverpool Hope University for the public benefit by:

- promoting the interests and welfare of Students at Liverpool Hope University during their course of study and representing, supporting and advising Members;
- being the recognised representative channel between Students and Liverpool Hope University and any other external bodies; and
- providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its Members.

The Students' Union achieves its outcomes for the public benefit by providing information, advice, guidance and support for the student body, raising awareness of social, political and cultural issues, and achieves the advancement of sport and social interchange for the public benefit in particular, but not exclusively, by providing sporting and recreational facilities for a range of sports and generally equipping the student body for enhanced contribution to the local community.

#### **Statement of Trustee Board's Responsibilities**

Charity law requires the Trustee Board to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

The Trustee Board 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 charity and of its net incoming resources for that period. In preparing these financial statements, the Trustee Board are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation. In assessing going concern for the purpose of preparing

# **LIVERPOOL HOPE STUDENTS' UNION**

## **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 JULY 2019**

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the financial statements, the Trustee Board have paid particular attention to the period of 12 months from the balance sheet date.

The Trustee Board is responsible for keeping adequate 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 ensure that the financial statements comply with charity law. They are also responsible for safeguarding the assets of the charity and ensuring their proper application under charity and tax law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Structure, Governance & Management**

LHSU is constituted under the Education Act 1994 as a charity and is governed by its Constitution. LHSU's charitable object is the advancement of education of Students at Liverpool Hope University for the public benefit by:

- promoting the interests and welfare of Students at Liverpool Hope University during their course of study and representing, supporting and advising Members;
- being the recognised representative channel between Students and Liverpool Hope University and any other external bodies; and
- providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its Members.

The Full Time Sabbatical Officers are elected annually by cross-campus secret ballot of the LHSU membership. These three posts of President, Vice President Education, and Vice President Welfare & Community are full-time posts remunerated as authorised by the Education Acts and cannot exceed two years duration for each holder. The three full-time Sabbatical Officers, three Student Trustees and four External Trustees are regarded as the charity trustees of LHSU for the purposes of the Charities Acts. The External Trustees may serve a term of 4 years renewable for a maximum of three terms, a fourth term may be reappointed after an interval of at least three years.

### **Trustee training**

New Trustees are inducted into the workings of the Union as a registered charity, including Board Policy and Procedures, at both internal and external training and induction workshops.

### **Organisational Management**

The Students' Union is a democratic organisation with the ultimate decision making power being vested through the Annual General Meeting of Members which is the sovereign body. The Trustee Board is the governing body of the Union whose decisions are reported to the Annual General Meeting. The Forums formulate and determine Union policy in accordance with the Standing Orders of the Union and hold the Sabbatical Officer Trustees to account through regular reports and plans. The Trustee Board sets an apolitical policy regarding the operational management of the Union and approves and reviews the strategic plan.

The Executive Council is the emergency decision making body of the Union and can act in place of the Forums when an item of business is deemed too urgent to wait until the next appropriate Forum. The Forums may overturn any of these decisions. The Executive Council does however hold some specific powers including appointing and dismissing lay trustees and making rulings on interpretations of the constitution and by-laws of the Union.

# **LIVERPOOL HOPE STUDENTS' UNION**

## **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 JULY 2019**

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The remuneration of key management personnel is set by the Board, with the policy objective of ensuring that they are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the Union's success. The appropriateness and relevance of the remuneration policy is reviewed annually.

### **Relationship with Liverpool Hope University**

The relationship between the University and LHSU is established in the Regulations of the University. LHSU receives a Block Grant from the University and has access to office space owned by the University, which also pays for utilities. This non-monetary support is intrinsic to the relationship between the University and LHSU. As recommended by the Charities SORP, which has been adopted for this and future financial years for due compliance with the requirements for Students' Unions provided for in the Charities Act 2011, an estimated value to LHSU for this free serviced accommodation has been included in the accounts, priced at a conservative £12,000. Although the Students' Union successfully runs a small range of operational and fundraising activities, it will for the foreseeable future be dependent on the support of the University. There is no reason to believe that this support will not continue for the foreseeable future as the Students' Union is an integral part of the University structure and of value to the overall student experience at the University.

The trustees consider it reasonable to anticipate that this or equivalent support from the University will 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 in one form or another. The trustees therefore consider the Union to be financially viable for the foreseeable future.

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### **Principal Risks and Uncertainties**

The Board reviews the Union's current and planned future activities in the light of any major risks arising from time to time and the effectiveness of systems and procedures designed to manage them. The principal risks and uncertainties currently facing the Union are considered to be:

The possible reduction in funding by the University caused by

- Their own financial health
- Their perception of the value of the role of the Union

The financial health of the University is itself dependent on tuition fees from students, which in turn is susceptible to factors beyond the control of the Union, including

- Popularity of the academic offering
- Popularity as a result of academic standards
- Popularity as a result of the attractiveness of the campus and its facilities
- Popularity driven by affordability and fee levels
- Other demographics
- Reputational damage in the unlikely event of a high profile activity by a student
- Reputational damage in the unlikely event of a high profile activity by a trustee

Our plans and strategies for managing risk include maintaining effective internal controls, risk registers, incident-reporting and monitoring systems, and insurance cover wherever appropriate.

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# LIVERPOOL HOPE STUDENTS' UNION

## REPORT OF THE TRUSTEES

YEAR ENDED 31 JULY 2019

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### Aims, Objectives and Activities

The Trustee Board set a strategic plan for 2019-21 based on a vision of "Ensuring the best student experience; through representation and student voice."

By, for and of the students – there is no better way to encapsulate our purpose. We are a membership led organisation driven by our core values.

Liverpool Hope Students' Union is, quite simply, every student at Hope coming together to make positive change. Elected officers work toward this by representing students' views, needs and concerns to the University and relevant external organisations. The Union is here to offer advice on a variety of things from academic matters to housing, as well as giving students the opportunities to do what they love doing through our clubs, societies and events.

#### Our values, we will:

- Champion democracy & representation
- Be innovative
- Show enthusiasm
- Celebrate liberation & diversity
- Have fun

We deliver this vision and mission through four key strategic objectives:

1. **Leading the Way:** We will empower students to become future leaders
2. **Learning for Success:** We will work with each Member according to their needs to ensure they have access to a learning environment that allows them to fulfil their academic potential
3. **Living to the Full:** We will create opportunities for students to take advantage of and we will also empower them to forge their own opportunities
4. **Supporting Communities:** We will foster an environment which removes barriers and enables every Member to feel part of both the Hope community and wider Liverpool Life

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.

### Achievements and performance

LHSU achieved the following outcomes against its published objectives for 2018/19:

#### Leading the Way: We will empower students to become future leaders

- 20.66% turnout in the annual Sabbatical Officer Elections.
- On average, 56 students attending forums and AGMs

**Learning for Success:** We will work with each member according to their needs to ensure they have access to a learning environment that allows them to fulfil their academic potential

- 140 Course Representatives attending Union-led training sessions
- We collaborated with the University to have mental health and wellbeing training (Mid Your Mate training) embedded into every day teaching to ensure every student or at least 80% have basic mental health knowledge.

# LIVERPOOL HOPE STUDENTS' UNION

## REPORT OF THE TRUSTEES

### YEAR ENDED 31 JULY 2019

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**Living to the Full:** We will create opportunities for students to take advantage of and we will also empower them to forge their own opportunities

- 72 different sports club and society activities offered to students.
- Over 800 students registered as members of those sports clubs and societies.
- 4 Student Trustees
- 1 in 2 members participate in Liverpool Hope SU activity annually.

**Supporting Communities:** We will foster an environment which removes barriers and enables every Member to feel part of both the Hope community and wider Liverpool Life

- 2,292 students participating in the Union's Welcome Week activities.
- 67.6% of students agree that the Students' Union plays a key role in creating a positive student community at Liverpool Hope.
- 54.2% of students are aware of, and know how to access, the SU Advice Service

The key measure of our success is how the Union scores in Question 26 of the National Student Survey: "The Students' Union (Association or Guild) effectively represents students' academic interests". We scored 55.8% in 2019 and are in the top three for North West Students' Unions at Higher Education Institutions.

#### Future plans

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LHSU's current strategic plan emphasised the role of the Advice Service. However due to a re-demarcation of Advice functions between the Students Union and the University, the strategic plan is currently under review with aims to have the Advice Service in place by the end of 2019. Within this review we will strive to:

- Continue to review systems for tracking engagement of members within the Union
- Review systems for measuring the impact of the Union's activities on members
- Continue with our Governance Review

#### Financial review

For the period 2018/19 LHSU reported a surplus of £28,814 (2018: £30,613), this being an increase of £25,325 against budget (budgeted surplus £3,489). Gross income from all sources this year totalled £322,787 (2018: £310,166). Total expenditure of £293,973 (2018: £279,553) on a wide-range of student benefits we provide within a broadly balanced budget, as well as on the modest fundraising and other revenue-generating activities we undertake contributed to the surplus generated.

LHSU has continued to benefit from the recognition and support of the University, and this year the, annual block grant was increased from £247,168 to £257,150 (excluding an additional amount of £12,000 recognised as a benefit in kind for the use of premises). This year's block grant included a one-off grant of £5,000 for Sports Initiatives.



# **LIVERPOOL HOPE STUDENTS' UNION**

## **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 JULY 2019**

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### **Reserves level and policy**

The Trustees have adopted a reserves policy, the objective of which is to protect the Union and its charitable activities by ensuring adequate liquidity while the organisation adjusts to any short term (two to three months) changes it encounters in its financial and operating environment. At the same time the Trustees want to ensure reserves are not too high in order to maximise the resources applied to the Union's charitable purpose, and to be able to designate specific funds to support the ongoing activities of the Union. Following this policy the Trustees have set a target of the Union holding £58,000 in unrestricted funds (not including the pension deficit).

The inclusion of the overall pension deficit reduces the overall total funds to (£140,411). Restricted funds amount to £15,098 leaving general reserves of (£155,509). Excluding the pension liability (£210,107) from general reserves, free reserves amounted to £54,498. Therefore, the current level of free reserves is currently short of target by £3,502. This is an achievable target to achieve in the next year or two with a review of staffing requirements in the Union a priority in order to increase free reserves.

Given the continued support of the University, the Trustees regard the Union as a going concern.

LHSU is affiliated to the NUS, for which our total subscription costs amounted to £9,600 for the year, as well as Advice UK (£253), BUCS (£1,220) and the English Universities Affiliation (£256), and no donations were made during the year to any external institutions out of LHSU's own resources.

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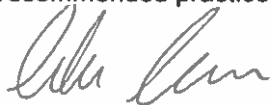
### **Fundraising Disclosures**

The Union is committed to the Fundraising Code of Practice upheld by the Fundraising Regulator.

The Union does not make direct fundraising appeals to its members. Our societies, on occasion, carry out fundraising activities for their society funds and for charities. We provide guidance to students based on the Union's fundraising policy. No complaints were received concerning our fundraising activities.

### **Students' Union Governance Code**

The Trustees are aware of the new Students' Union Governance Code, which has been developed for the charity sector, created to help charities and their trustees develop high standards of governance. The General Manager has attended training on the new Governance Code and the Code will be discussed further by the Trustee Board, who will consider how to adopt the Code's principles and recommended practice for good governance.



**C. Cairns**

**Vice President**

**4<sup>th</sup> March 2020**

# INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LIVERPOOL HOPE STUDENTS' UNION

YEAR ENDED 31 JULY 2019

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I report to the trustees on my examination of the accounts of Liverpool Hope Students' Union (the Trust) for the year ended 31 July 2019, which are set out on pages 11 to 26.

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's trustees as a body for my independent examiner's work, for this report, or for the opinions I have formed.

## Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

## Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

  
Michael Jayson FCA  
Crowe UK LLP  
3<sup>rd</sup> Floor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

5 March 2020

# LIVERPOOL HOPE STUDENTS' UNION

## STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)

YEAR ENDED 31 JULY 2019

	Note	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
<b>INCOME</b>					
Income from generated funds:					
Voluntary income	2	257,150	12,000	269,150	259,168
Incoming resources from charitable activities	3	14,304	9,357	23,661	27,307
Other incoming resources from generated funds	4	29,976	-	29,976	23,691
Net incoming resources		301,430	21,357	322,787	310,166
<b>RESOURCES EXPENDED</b>					
Charitable activities	5	268,198	25,775	293,973	279,553
Total resources expended		268,198	25,775	293,973	279,553
Net incoming/(outgoing) resources		33,232	(4,418)	28,814	30,613
Transfers	13	(8,081)	8,081	-	-
Net incoming resources for the year		25,151	3,663	28,814	30,613
Fund brought forward		(180,660)	11,435	(169,225)	(199,838)
Funds carried forward at 31 July 2019		(155,509)	15,098	(140,411)	(169,225)

All activities relate to continuing operations.

The notes on pages 14 to 26 form part of these financial statements.

# LIVERPOOL HOPE STUDENTS' UNION

## BALANCE SHEET

AS AT 31 JULY 2019

	Note	£	2019 £	£	2018 £
<b>Tangible fixed assets</b>	<b>9</b>		<u>732</u>		<u>102</u>
			732		102
<b>Current assets</b>					
Debtors	<b>10</b>	22,798		3,748	
Cash at bank and in hand		<u>66,653</u>		<u>73,531</u>	
		89,451		77,279	
<b>Current liabilities: amounts due within one year</b>	<b>11</b>	(20,488)		(28,257)	
<b>Net current assets</b>			<u>68,963</u>		<u>49,022</u>
<b>Creditors: amounts due after one year</b>	<b>12</b>		(210,107)		(218,347)
<b>Net (liabilities)/assets</b>			<u>(140,411)</u>		<u>(169,225)</u>
<b>Reserves</b>					
Restricted funds	<b>13</b>		15,098		11,435
Unrestricted Funds	<b>13</b>		(155,509)		(180,660)
			<u>(140,411)</u>		<u>(169,225)</u>

These financial statements were approved by the Board of Trustees on 4<sup>th</sup> March 2020 and are signed on their behalf by:



**C. Cairns**  
Vice President

The notes on pages 14 to 26 form part of these financial statements.

# LIVERPOOL HOPE STUDENTS' UNION

## CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2019

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	Note	2019 £	2018 £
Net cash used in operating activities	20	(6,125)	59,194
Cashflows from financing activities		-	-
Cashflows from investing activities:			
Purchase of fixed assets		(753)	-
Change in cash and cash equivalents in the year		<u>(6,878)</u>	<u>59,194</u>
Cash and cash equivalents brought forward		73,531	14,337
Cash and cash equivalents carried forward		<u>66,653</u>	<u>73,531</u>

The notes on pages 14 to 26 form part of these financial statements.

# LIVERPOOL HOPE STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2019

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### General Information

General information regarding the charity is included on page 3.

### 1. ACCOUNTING POLICIES

#### (a) Basis of preparation

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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the 2015 Charities Statement of Recommended Practice based thereon – the Charities SORP. Liverpool Hope Students' Union constitutes a public benefit entity as defined by FRS 102.

#### (b) Income

All income and capital resources is recognised in the accounts when entitlement to the income arises, there is probable economic benefit to Liverpool Hope Students' Union (LHSU) and the amount can be reliably quantified. The University grant of free serviced accommodation on the campus is accounted for as income and expenditure of the year at an estimated value to LHSU by reference to the alternatives available on the commercial market.

#### (c) Resources expended

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Expenditure includes irrecoverable VAT and comprises the direct and indirect costs of delivering public benefit. Governance costs are those incurred for compliance with constitutional and statutory requirements, such as the annual audit, annual elections and training for sabbatical officers. The value of free serviced campus accommodation is apportioned on estimated floor space occupied. Other central overhead costs, as well as governance costs, are apportioned to charitable and other projects/activities on a usage basis, pro rata to the total costs of each project or activity undertaken.

#### (d) Clubs and Societies

The income and expenditure of individual clubs and societies raised in their own right is consolidated into the Union's SOFA and is shown as restricted income and expenditure.

Any unspent balances at the year-end are held as restricted funds for application in the future.

A cumulative deficit in any fund will be recovered from future income raised by the club or society.

#### (e) Fund accounting

LHSU administers and accounts for a number of charitable funds, as follows:-

- **Unrestricted funds**

Representing unspent income which may be used for any activity/purpose at the trustees' own discretion;

- **Restricted funds**

Restricted funds are funds raised and administered by LHSU for specific charitable purposes as determined by students, such as funds held within charitable Clubs and Societies Accounts, as well as revenue received for charitable purposes specified by the donor;

- **Designated funds**

Designated funds are 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 accounts.

# LIVERPOOL HOPE STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2019

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### (f) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Assets are not capitalised below £500 cost per item/set. Equipment, fixtures and fittings are included at cost. Depreciation is provided at rates calculated to spread each asset's cost, less its estimated current residual value as if at the end of its useful economic life, evenly over that estimated useful economic life :-

Fixtures and Fittings	- 20% of Cost
Computer and Office Equipment	- 20% of Cost

### (g) Pension costs

Retirement benefits to employees of the Union are provided through two pension schemes, one defined benefit (SUSS) and the other defined contribution (NEST).

#### SUSS

Liverpool Hope Students' 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. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the Scheme closed to future accrual. 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 LHSU. However the Union has entered into an arrangement to clear the scheme deficit over a 20 year period. The Net Present Value of LHSU's contributions as part of this plan are reflected as a liability on the balance sheet, which will reduce as they are paid.

#### NEST

Since 1 October 2011, all participating employees have been in a new defined contribution pension scheme, National Employment Savings Trust (NEST). Contributions are at the rate of 6% for the employer and 4.8% for the employee. Pension costs are charged in the period in which the salaries to which they relate are payable

### (h) Leased assets

Rentals payable under operating leases are charged as expenditure on a straight line basis over the period of the lease.

### (i) Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### (j) Financial Instruments

The Union only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities. Debt instruments (other than those wholly repayable within one year) are initially measured at present value of the future cash flows and subsequently amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables are measured initially

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activity.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and here is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# LIVERPOOL HOPE STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2019

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### **(k) Critical accounting estimates and judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **1. Multi-employer defined benefit pension scheme.**

The Charity participated in the Students' Union Superannuation Scheme, a multiemployer defined benefit pension scheme with other Students' Union organisations. In 'The judgement of the trustees, the Charity does not have sufficient information on the plans asset and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 16 for further details.

The Charity must measure its defined benefit obligation on a discounted present value basis. The Charity must determine the rate to discount the future payments by reference to market yields at the reporting date on high quality corporate bonds. The term of the corporate bonds shall be consistent with the estimated period of the future payments.

### **(l) Going Concern**

The trustees consider that there are no material uncertainties about the Union's ability to continue as a going concern given the continued support of the University in way of an annual grant. There is no reason for the Union to believe this financial support from the University will not continue for the foreseeable future. The Trustees express their thanks on behalf of the members of the Union for the support of Liverpool Hope University.

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The financial position of the Union are described in the Financial Statements and accompanying notes. The Union made a surplus of £28,814 during the year and has net current assets of £68,963 (2018: £49,022).

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# LIVERPOOL HOPE STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2019

### ACCOUNTING POLICIES (continued)

#### 2. VOLUNTARY INCOME

	Unrestricted funds	Restricted funds	2019 Total Funds	2018 Total Funds
	£	£	£	£
Block grant from Liverpool Hope University	257,150	-	257,150	247,168
Facilities in kind	-	12,000	12,000	12,000
	<u>257,150</u>	<u>12,000</u>	<u>269,150</u>	<u>259,168</u>

#### 3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	2019 Total funds	2018 Total Funds
	£	£	£	£
NUS extra commission	2,654	-	2,654	3,019
Event income	11,650	-	11,650	13,790
Clubs and societies	-	9,357	9,357	10,498
	<u>14,304</u>	<u>9,357</u>	<u>23,661</u>	<u>27,307</u>

#### 4. OTHER INCOMING RESOURCES FROM GENERATED FUNDS

	Unrestricted funds	Restricted funds	2019 Total funds	2018 Total funds
	£	£	£	£
Other income (including BAM)	29,976	-	29,976	23,691
	<u>29,976</u>	<u>-</u>	<u>29,976</u>	<u>23,691</u>

#### 5. COSTS OF CHARITABLE ACTIVITIES

	Direct costs	Support costs	2019 Total Costs	2018 Total Costs
	£	£	£	£
Events	22,510	36,679	59,189	57,798
Internal representation	9,487	14,673	24,160	28,475
Subscriptions and affiliations	9,600	-	9,600	9,734
Education and welfare	21,998	36,679	58,677	51,402
Clubs and societies	25,669	29,343	55,012	50,975
Sports	55,390	29,343	84,733	76,876
Governance costs	-	2,602	2,602	4,293
	<u>144,654</u>	<u>149,319</u>	<u>293,973</u>	<u>279,553</u>

# LIVERPOOL HOPE STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2019

### 6. SUPPORT COSTS

	2019 £	2018 £
<i>Staff costs</i>		
Administrative staff salaries	112,098	109,403
Pension contributions	6,387	6,284
Staff training, conferences and travel	228	3,376
	<u>118,713</u>	<u>119,063</u>
<i>Building</i>		
Rent and services in kind	12,000	12,000
Telephone	378	486
	<u>12,378</u>	<u>12,486</u>
<i>Other costs</i>		
Depreciation	122	102
Insurance	4,016	3,815
Hospitality and entertaining	177	635
Printing, stationery and postage	239	1,679
Legal & professional	1,262	1,256
Marketing & support costs	8,673	6,048
Licence	-	943
Fees – Subs & Other	16	112
Expenses inc taxi, hotel, travel	345	939
Equipment, clothing & consumables	776	-
Write Off	-	50
	<u>15,626</u>	<u>15,579</u>
<i>Governance costs</i>		
Independent examiner fee	1,200	1,176
Trustee expenses	55	211
Forum and AGM expenses	129	231
Staff recruitment and Conferences	1,218	2,675
	<u>2,602</u>	<u>4,293</u>
	<u>149,319</u>	<u>151,421</u>

# LIVERPOOL HOPE STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2019

### 7. STAFF COSTS AND KEY MANAGEMENT PERSONNEL

	2019 Total Funds £	2018 Total funds £
Wages and salaries	156,824	149,927
Social security	12,865	12,545
Pension costs	12,582	11,694
	<u>182,271</u>	<u>174,166</u>

Area	2019 Average number of staff	2018 Average number of staff
Sabbatical officers	3	3
Management	1	1
Student activities	3	3
	<u>7</u>	<u>7</u>

The key management personnel of the Union comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Union was £95,606 (2018: £89,555).

No employees received remuneration in excess of £60,000 (2018: none).

# LIVERPOOL HOPE STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2019

### 8. TRUSTEE REMUNERATION

The three Sabbatical Officers and Student Trustees; Edward Craig and Caitriona Cairns (training allowance for their Trainee Paralegal services) were the only Members of the Board of Trustees to receive any remuneration in accordance with the Union's operating document. Total trustee remuneration for the year was as follows:

	2019 £	2018 £
<b>President</b>		
H Rashid (from 1.7.19)	1,607	-
F Doolin (until 30.6.19)	18,144	1,650
J Johnson (until 30.6.18)	-	17,303
<b>Vice Presidents</b>		
C Cairns (from 1.7.19)	1,716	-
E Moriarty (from 1.7.19)	1,716	-
N Fearon (until 30.6.19)	18,144	2,457
L Skilbeck (until 30.6.19)	18,144	2,457
F Doolin (until 30.6.18)	-	18,178
V Ospina	-	12,121
<b>Student Trustee</b>		
Edward Craig	454	850
Caitriona Cairns	671	124
	<u>60,596</u>	<u>55,140</u>

Other Members of the Board of Trustees are reimbursed for expenses incurred during the course of their duties. During the year 1 trustee was reimbursed for expenses totalling £55 (2018: £211) relating to travel and event attendance.

### 9. TANGIBLE FIXED ASSETS

#### Fixtures, Fittings & Equipment

<b>Cost</b>	<b>£</b>
At 31 July 2018	3,136
Additions	753
<b>At 31 July 2019</b>	<b><u>3,889</u></b>
<b>Depreciation</b>	<b>£</b>
At 1 August 2018	3,034
Charge for the year	123
<b>At 31 July 2019</b>	<b><u>3,157</u></b>
<b>Net Book Values</b>	
- at 31 July 2019	<u>732</u>
- at 31 July 2018	<u>102</u>

# LIVERPOOL HOPE STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2019

### 10. DEBTORS

	2019	2018
	£	£
Trade debtors	428	3,602
Miscellaneous debtors	500	-
Accrued income	-	146
Prepayments	10,072	-
Amount owed from University	11,798	-
	<u>22,798</u>	<u>3,748</u>

### 11. CREDITORS: AMOUNTS FALLING DUE IN LESS THAN ONE YEAR

	2019	2018
	£	£
Operating creditors	-	159
Accruals and deferred income	6,789	6,986
Amount owing to University	-	8,065
SUSS pension deficit	13,699	13,047
	<u>20,488</u>	<u>28,257</u>

### 12. CREDITORS: AMOUNTS FALLING IN MORE THAN ONE YEAR

	2019	2018
	£	£
SUSS pension deficit	210,107	218,347
1-5 years	58,222	55,449
>5 years	151,885	162,898

# LIVERPOOL HOPE STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2019

### 13. RESERVES

	At 1 August 2018 £	Incoming resources £	Resources expended £	Transfers £	At 31 July 2019 £
<b>Restricted reserves</b>					
Green fund	657	-	-	-	657
Clubs and Societies	10,778	9,357	(13,775)	8,081	14,441
Rent and services in kind	-	12,000	(12,000)	-	-
	<u>11,435</u>	<u>21,357</u>	<u>(25,775)</u>	<u>8,081</u>	<u>15,098</u>
<b>Unrestricted reserves</b>					
General funds	(180,660)	301,430	(268,198)	(8,081)	(155,509)
<b>Total funds</b>	<u>(169,225)</u>	<u>322,787</u>	<u>(293,973)</u>	<u>-</u>	<u>(140,411)</u>

### 14. STUDENT CLUB/SOCIETY material funds held were:-

	Brought forward £	Income for Fund £	Resources expended £	Grants & Transfers £	Carried forward £
Hope Christian Union	1,161	3,699	(3,203)	-	1,657
Hockey – Women	590	-	(165)	695	1,120
Cheerleading	742	1,358	(1,810)	800	1,090
Rugby Womens	317	1,070	(920)	450	917
Disability Studies	872	-	-	-	872
Green Hope	657	-	-	-	657
Other Clubs & Societies	4,114	3,230	(7,584)	6,136	5,896
Societies – Closed 18/19	2,982	-	(93)	-	2,889
<b>Total Funds</b>	<u>11,435</u>	<u>9,357</u>	<u>13,775</u>	<u>8,081</u>	<u>15,098</u>

# LIVERPOOL HOPE STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2019

### Restricted reserves

#### Green Fund

Liverpool Hope University made a donation of £677.98 during 2017 to Green Hope to support the development of an allotment which has yet to be fully spent against.

#### Clubs & Societies

Income raised by individual clubs and societies is used to support activities and events hosted by those clubs and societies. Any amounts unspent are carried forward to the subsequent year for spending by each club or society. Any amounts overspent are carried forward to be recovered against further income.

#### Transfers

A transfer is made from unrestricted funds to restricted funds to cover the support costs allocated to clubs and societies.

### 15. ANALYSIS OF NET ASSETS BY FUND

	Restricted £	Unrestricted £	At 31 July 2019 £	At 31 July 2018 £
Tangible fixed assets	-	732	732	102
Current assets	15,098	74,354	89,452	77,277
Current liabilities	-	(20,488)	(20,488)	(28,257)
Non-current liabilities	-	(210,107)	(210,107)	(218,347)
	15,098	(155,509)	(140,411)	(169,225)

# LIVERPOOL HOPE STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2019

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### 16. PENSION COSTS

Liverpool Hope Students' 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. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the Scheme closed to future accrual.

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 6.1% per annum before retirement and 4.1% per annum after retirement
- Pensions accruing on the CARE basis would revalue at 3.6% 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 17 years and increased by 20% in October 2017 and at least 5% each year thereafter. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the scheme. These rates 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 Liverpool Hope Students' Union's future contribution commitment. In addition to the above contributions, Liverpool Hope Students' Union also pays its share of the scheme's levy to the Pension Protection Fund.

During the year, the Students' Union was made aware of a possible increase in SUSS's pension deficit. This will not impact the SU until a revised deficit funding contribution schedule has been agreed which will be following the next triennial valuation of the scheme.

The total contributions paid into the deficit scheme by Liverpool Hope Students' Union in respect of eligible employees for the year ended 31 July 2019 amounted to £13,975 (2018 - £12,812). The Union also acknowledges its future liabilities for the remaining scheme deficits, the net book value of which is assessed as £223,806 (2018 - £231,395).

None of the Union's current employees are members of SUSS.



# LIVERPOOL HOPE STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2019

### Trustees pension contributions paid

	2019 £	2018 £
<b>President</b>		
H Rashid (from 1 <sup>st</sup> July 2019)	91	-
F Doolin (until 30 <sup>th</sup> June 2019)	963	87
J Johnson (until 30 <sup>th</sup> June 2018)	-	87
<b>Vice Presidents</b>		
C Cairns (from 1 <sup>st</sup> July 2019)	91	-
E Moriarty (from 1 <sup>st</sup> July 2019)	91	-
N Fearon (until 30 <sup>th</sup> June 2019)	963	128
L Skilbeck (until 30 <sup>th</sup> June 2019)	963	128
F Doolin (until 30 <sup>th</sup> June 2018)	-	963
V Ospina (until March 2018)	-	621
	<u>3,162</u>	<u>2,014</u>

### 17. RELATED PARTY TRANSACTIONS

The Union is in receipt of an annual grant from Liverpool Hope University of £257,150 (2018: £247,168). In addition the Union occupies part of a building owned by the University under an informal agreement. In accordance with the Charities SORP (FRS 102) the trustees have valued the use of this space at a market value of £12,000. At the year end the University owed the Union £11,798 (2018: Amount owing by the Union to the University £8,065).

### 18. AFFILIATION FEES

	2019 £	2018 £
NUS	9,600	9,734
BUCS	1,972	2,113
Other	<u>1,073</u>	<u>1,084</u>
	<u>12,645</u>	<u>12,931</u>

# LIVERPOOL HOPE STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2019

### 19. ULTIMATE CONTROLLING PARTY

The Board of Trustees is responsible for the management and administration of the Union and (subject to the Education Act 1994, the Constitution and by-laws) may exercise all the powers of the Union. They may override any decision or policy made by the Members in general meeting or by Referendum of the Executive Council which the Trustees consider (in their absolute discretion):

- has, or may have, financial implications for the Union;
- is, or may be, in breach of, contrary to or otherwise inconsistent with charity or education law or any other legal requirements (including ultra vires);
- is not, or may not be, in the best interests of the Union or all or any of its charitable objects; or
- will, or may otherwise affect, the discharge of any or all of the responsibilities referred to in Clause 62 of the Constitution.

However, the Members of the Union enjoy the right, which must be exercised in accordance with charity law, to elect a proportion of the Trustees and to dismiss all of the Trustees.

The ultimate controlling party of the Union therefore is considered to be the Members, being each and every student who has not opted out of membership and the officer trustees of the Union.

### 20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net movement in funds	28,814	30,612
Add back depreciation charge	122	102
(Increase) decrease in debtors	(19,052)	25,714
(Decrease) increase in creditors	(8,421)	9,294
(Decrease) increase in pension liability	(7,588)	(6,528)
<b>Net cash provided by use in operating activities</b>	<b>(6,125)</b>	<b>59,194</b>