

Oxford Union Society
Audited consolidated financial statements
for the year ended 30 June 2018

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Audited consolidated financial statements
for the year ended 30 June 2018

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Oxford Union Society
Statement of Accounting and Reporting Responsibilities

The Standing Committee is responsible for preparing the financial statements in accordance with applicable law and regulations.

The Standing Committee is required to prepare financial statements for each financial year. The Standing Committee has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

The Standing Committee must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Society and of its net income or expenditure for that period. In preparing these financial statements, the Standing Committee is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has 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 Society will continue to operate.

The Standing Committee is responsible for keeping proper accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with UK GAAP. It is also responsible for safeguarding the assets of the Society and ensuring their proper application and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Standing Committee on the 30.11.19 and signed on its behalf by:

Stephen Horvath
President

Oxford Union Society
Independent auditor's report to the Standing Committee of The Oxford Union Society

Opinion

We have audited the financial statements of The Oxford Union Society (the "Society") for the year ended 30 June 2018 which comprise the Consolidated Income and Expenditure Account, the General Account, the Standing Committee Account, the Bar and Dining Account, the Library Account, the Function Account, the Trading Subsidiary Account, the Society Balance Sheet, the Consolidated Balance Sheet, the Consolidated Statement of Cash Flows, the Society Statement of Changes in Equity, the Consolidated Statement of Changes in Equity and the related notes. 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).

This report is made solely to the Standing Committee. Our audit work has been undertaken so that we might state to the Standing Committee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and its Standing Committee, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Society's affairs as at 30 June 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;

Basis for opinion

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

Conclusions relating to going concern

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 Standing Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Standing Committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Society'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.

Oxford Union Society
Independent auditor's report to the Standing Committee of The Oxford Union Society
(continued)

Other information

The Standing Committee is responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which we are required to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Standing Committee

As explained more fully in the Standing Committee's responsibilities statement set out on page 3, the Standing Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they 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 Standing Committee is responsible for assessing the Society'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 Standing Committee either intends to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Oxford Union Society
Independent auditor's report to the Standing Committee of The Oxford Union Society
(continued)

Auditor's responsibilities for the audit of the financial statements

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

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/apb/scope/private.cfm. This description forms part of our auditor's report.

Robert Kirtland (Senior Statutory Auditor)

For and on behalf of:
Critchleys Audit LLP (Statutory Auditor)
23-28 Hythe Bridge
Oxford
OX1 2EP

Date:

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

Oxford Union Society
Consolidated Income and Expenditure Account
For the year ended 30 June 2018

	2018 £	2017 £
Income		
Subscriptions	622,282	612,818
General account income	210,300	214,364
Standing committee income	158,589	160,953
Dining room income	19,869	22,648
Bar income	82,738	78,218
Library income	4,989	5,607
Function income	209,328	212,920
Trading subsidiary income	98,642	90,396
Bank interest received	2,476	2,175
Inland Revenue online incentives	3,000	3,000
Total income	1,412,213	1,403,099
Expenditure		
Establishment expenses	294,097	195,742
Administration	244,876	248,393
Trading items	2,461	1,452
Standing committee expenditure	271,012	275,915
Dining room expenditure	15,288	10,282
Bar expenditure	68,690	65,829
Library expenditure	124,635	133,395
Function expenditure	97,260	99,389
Trading subsidiary expenses	129,128	96,441
Bank charges	8,487	8,688
Depreciation	3,301	5,478
Loss on disposal	-	-
Total expenditure	1,259,235	1,141,004
OLDUT account	(15,546)	(17,874)
Tax	(15,000)	(16,445)
Overall surplus for the year after taxation	122,432	227,776
Transfer to designated funds	(110,000)	(220,000)
Net result for the year	12,432	7,776
Accumulated surplus/(deficit) brought forward	13,963	6,187
Accumulated surplus carried forward	26,395	13,963

Oxford Union Society
General Account
For the year ended 30 June 2018

	2018 £	2017 £
Income		
Subscriptions	622,282	612,818
Term card subscriptions	133,297	125,541
Other income:		
Purple Turtle	43,930	37,099
Rent received	18,000	25,000
Guest tickets	8,796	5,797
Snooker income	2,305	2,478
Miscellaneous income	3,972	18,449
Total income	<u>832,582</u>	<u>827,182</u>
Expenditure		
Establishment:		
Rates	40,788	38,831
Heating and lighting	25,592	24,365
Insurance	43,354	36,518
Repairs	141,744	53,925
Laundry and cleaning	42,619	42,103
	<u>294,097</u>	<u>195,742</u>
Trading Items:		
Professional fees	13	-
Stock Merchandise	2,448	1,452
	<u>2,461</u>	<u>1,452</u>
Administration:		
Salaries and wages	177,681	188,201
Staff meals	2,982	3,298
Staff expenses	740	1,050
Postage, stationery and telephone	9,083	13,590
Audit, accountancy and tax	9,300	9,272
Other professional charges and licenses	11,186	15,133
Miscellaneous expenses	1,109	1,821
Office photocopier	3,546	1,651
Repairs and maintenance	8,531	7,166
Computer costs	5,242	5,907
Website costs	2,167	1,304
Advertising and recruitment	13,309	-
	<u>244,876</u>	<u>248,393</u>
Total expenditure	<u>541,434</u>	<u>445,587</u>
Surplus for the year	<u>291,148</u>	<u>381,595</u>

Oxford Union Society
Standing Committee Account
For the year ended 30 June 2018

	2018 £	2017 £
Income		
Debates sponsorship	6,820	12,121
Speaker meetings	4,450	2,900
Debates: General tour income	-	600
Social event income	78,470	74,930
Fresher's membership drive	2,890	5,810
Intervarsity competition income	25,246	23,520
Schools competition income	24,535	23,318
Termcard sponsorship	6,122	9,508
Election levies	2,633	1,462
Members fines	723	609
Union event room hire	5,400	3,675
Mid-term mailing income	-	1,200
Website income	1,300	1,300
	<u>158,589</u>	<u>160,953</u>
Expenditure		
Debates costs	49,555	56,645
Speaker meetings	30,304	29,436
Photography	-	230
Debating events/Tours	45,578	46,374
Membership drive/Student fair	15,243	29,546
Advertising events	265	145
Termcard production	42,552	30,718
General printing	700	316
Social event costs	66,711	63,465
Election expenses	4,442	2,721
President's expenses	6,029	3,417
Miscellaneous	284	3,555
Food and stationery	6,039	6,136
Internet cafe	2,240	2,331
Speaker database costs	1,070	880
	<u>271,012</u>	<u>275,915</u>
Deficit for the year	<u>(112,423)</u>	<u>(114,962)</u>

Oxford Union Society
Bar and Dining Account
For the year ended 30 June 2018

	2018 £	2017 £
Dining room and Cellar account		
Income		
Bar food	19,869	22,648
Deduct		
Salaries	5,760	2,011
Stock purchases	7,785	7,474
Sundry purchases	-	121
Repairs and maintenance	250	594
Depreciation	1,493	82
	<u>15,288</u>	<u>10,282</u>
Surplus for the year	<u>4,581</u>	<u>12,366</u>
Bar account		
Bar sales	<u>82,738</u>	<u>78,218</u>
Deduct		
Wages	39,115	32,683
Stock purchases	18,273	22,205
Sundry purchases	4,801	5,937
Bar entertainment costs	428	100
Repairs and maintenance	4,316	3,239
Depreciation	1,757	1,665
	<u>68,690</u>	<u>65,829</u>
Surplus for the year	<u>14,048</u>	<u>12,389</u>

Oxford Union Society
Library Account
For the year ended 30 June 2018

	2018 £	2017 £
Library income	4,989	5,607
Expenditure:		
Salaries and wages	96,241	103,044
Staff training	12	35
Book purchases	14,178	14,618
DVD purchases	-	397
Newspapers	3,959	4,646
Book repairs	1,601	3,796
Photocopier maintenance	149	139
Photocopier lease	1,136	825
Other costs	7,359	5,895
	<u>124,635</u>	<u>133,395</u>
Deficit for the year	<u>(119,646)</u>	<u>(127,788)</u>

Oxford Union Society
Function Account
For the year ended 30 June 2018

	2018 £	2017 £
Function income	209,328	212,920
Expenditure:		
Salaries and wages	54,489	46,379
Purchases	27,290	31,105
Equipment hire	10,998	15,805
Advertising	3,838	4,490
Office costs	646	1,610
	<u>97,260</u>	<u>99,389</u>
Surplus for the year	<u>112,068</u>	<u>113,531</u>

Oxford Union Society
Trading Subsidiary Account
For the year ended 30 June 2018

	2018 £	2017 £
Trading subsidiary income	98,642	90,396
Expenditure:		
Filming costs	101,090	94,730
Photography costs	25,280	-
Accountancy costs	1,150	-
Audit costs	1,525	1,625
Sundry expenses	83	86
	<u>129,128</u>	<u>96,441</u>
Deficit for the year	<u>(30,486)</u>	<u>(6,045)</u>

Oxford Union Society
Society Balance Sheet
As at 30 June 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Investments	7		100		100
Freehold property	8		162,000		162,000
Tangible assets	8		28,987		14,671
			<u>191,087</u>		<u>176,771</u>
Current assets					
Stocks	9	21,644		28,049	
Debtors	10	181,694		183,864	
Cash at bank and in hand		<u>1,041,007</u>		<u>893,689</u>	
		1,244,345		1,105,602	
Current liabilities					
Creditors	11	<u>(226,328)</u>		<u>(226,187)</u>	
Net current assets			1,018,017		879,415
Total assets less current liabilities			<u>1,209,104</u>		<u>1,056,186</u>
Financed by:					
Revaluation reserve			162,000		162,000
Accumulated funds			91,297		48,339
Designated funds	12		955,847		845,847
			<u>1,209,104</u>		<u>1,056,186</u>

Approved by the Standing Committee on 30/10/18 and signed on its behalf by:

Stephen Horvath
President

Stephen Dixon
Senior Treasurer

Oxford Union Society
Consolidated Balance Sheet
As at 30 June 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Freehold property	8		162,000		162,000
Tangible assets	8		<u>28,987</u>		<u>14,671</u>
			190,987		176,671
Current assets					
Stocks	9	21,644		28,049	
Debtors	10	85,476		140,287	
Cash at bank and in hand		<u>1,120,103</u>		<u>935,607</u>	
		1,227,223		1,103,943	
Current liabilities					
Creditors	11	<u>(273,968)</u>		<u>(258,804)</u>	
Net current assets			953,255		845,139
Total assets less current liabilities			<u>1,144,242</u>		<u>1,021,810</u>
Financed by					
Revaluation reserve			162,000		162,000
Accumulated funds			26,395		13,963
Designated funds			<u>955,847</u>		<u>845,847</u>
			1,144,242		1,021,810

Approved the Standing Committee on 20 June 18 2018 and signed on its behalf by:

Stephen Horvath
President

Stephen Dixon
Senior Treasurer

Oxford Union Society
Consolidated Statement of Cashflows
For the year ended 30 June 2018

	2018 £	2017 £
Cashflows from operating activities		
Surplus for the financial year	122,432	227,776
Adjustments for:		
Depreciation of tangible assets	6,551	7,225
Loss / (gain) on disposal of intangible assets	-	-
Decrease/(increase) in stocks	6,405	1,536
Tax charge	15,000	16,445
Interest received	(2,476)	(2,175)
Decrease/ (Increase) in debtors	54,811	(34,744)
Increase in creditors	164	31,767
Tax paid	-	(17,908)
Net cash generated from operating activities	<u>202,887</u>	<u>229,922</u>
 Cashflows from investing activities		
Purchase of tangible fixed assets	(20,867)	(3,951)
Sale of tangible fixed assets	-	-
Interest received	2,476	2,175
Net cash used in investing activities	<u>(18,391)</u>	<u>(1,776)</u>
 Net increase in cash and cash equivalents	184,496	228,146
Cash equivalents at the beginning of the year	935,607	707,461
 Cash equivalents at the end of the year	<u>1,120,103</u>	<u>935,607</u>
 Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	1,120,103	935,607
Overdraft	-	-
	<u>1,120,103</u>	<u>935,607</u>

Oxford Union Society
Society Statement of Changes in Equity
For the year ended 30 June 2018

	Revaluation Reserve £	Accumulated funds £	Designated Funds £	Total £
2017				
As at 1 July 2016	162,000	34,518	625,847	822,365
Result for the year	-	233,821	-	233,821
Transfer between funds	-	(220,000)	220,000	-
As at 30 June 2017	<u>162,000</u>	<u>48,339</u>	<u>845,847</u>	<u>1,056,186</u>

	Revaluation Reserve £	Accumulated Funds £	Designated Funds £	Total £
2018				
As at 1 July 2017	162,000	48,339	845,847	1,056,186
Result for the year	-	152,918	-	152,918
Transfer between funds	-	(110,000)	110,000	-
As at 30 June 2018	<u>162,000</u>	<u>91,257</u>	<u>955,847</u>	<u>1,209,104</u>

Oxford Union Society
Consolidated Statement of Changes in Equity
For the year ended 30 June 2018

	Revaluation Reserve £	Accumulated Funds £	Designated Funds £	Total £
2017				
As at 1 July 2016	162,000	6,187	625,847	794,034
Result for the year	-	227,776	-	227,776
Transfer between funds	-	(220,000)	220,000	-
As at 30 June 2017	<u>162,000</u>	<u>13,963</u>	<u>845,847</u>	<u>1,021,810</u>

	Revaluation Reserve £	Accumulated Funds £	Designated Funds £	Total £
2018				
As at 1 July 2017	162,000	13,963	845,847	1,021,810
Result for the year	-	122,432	-	122,432
Transfer between funds	-	(110,000)	110,000	-
As at 30 June 2018	<u>162,000</u>	<u>26,395</u>	<u>955,847</u>	<u>1,144,242</u>

Oxford Union Society
For the year ended 30 June 2018
Notes to the Accounts

1 Accounting policies

General information

The Oxford Union Society offers debates and social events for its members. The entity is a society for members and meets the recognition criteria of a public benefit entity in accordance with FRS102.

The address of the Society's registered office and principal place of business is Frewin Court, Oxford OX1 3JB.

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

Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified by the valuation of certain fixed assets. In preparing the financial statements the Oxford Union Society has adopted UK accounting standards including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and follows best practice as laid down in the Statement of Recommended Practice Accounting and Reporting for Charities (SORP 2015) in respect of fund accounting. The financial statements specifically exclude a statement of financial activities but include an income and expenditure account summarising the activity and surplus/deficit for the general account, the standing committee account, the bar and cellar account, the library account, the function account and the trading subsidiary account.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the society's accounting policies (note 2).

The following principal accounting policies have been applied:

Basis of consolidation

The financial statements consolidate the accounts of The Oxford Union Society and its subsidiary undertaking, Oxford Union Limited.

The results of the subsidiary are included from the effective date of acquisition. All amounts in respect of group balances and transactions have been eliminated in arriving at the group figures.

Revenue

Subscription

Subscriptions income (excluding Value Added Tax) is included in the Society's Income and Expenditure Account on a receipts basis. Amounts received, with exception of Educational Application, are non-refundable.

Other income

Other income (excluding Value Added Tax) comprises amounts receivable for services rendered.

Interest income

Interest income is recognised in the Income Statement using the effective interest method.

Oxford Union Society
For the year ended 30 June 2018
Notes to the Accounts (continued)

1 Accounting policies (continued)

Rental income

Rental income from operating leases is recognised in the income statement on a straight line basis over the lease term.

Going concern

The financial statements have been prepared on a going concern basis.

Depreciation

Depreciation is provided using the following rates and bases, which reflect the anticipated useful lives of the assets and their residual values.

The principal annual rates used for this purpose are:

Freehold building	Nil
Fixtures and Fittings	25% straight line
Equipment	25% straight line

Assets are capitalised at cost, only assets costing more than £1,000 are capitalised.

Depreciation is not provided on the freehold property as the Society has adopted a programme of regular maintenance of the building, to maintain its condition. In the opinion of the Standing Committee this treatment is necessary for the financial statements to give a true and fair view.

Under the new accounting standard FRS102, the society has taken the transitional relief to hold the freehold property at cost from the date of transition.

Operating leases: Lessee

Rentals paid under operating leases are charged to the Income Statement on a straight line basis over the period of the lease.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Stocks

These consist of stocks of stationery, liquors and provisions which are valued by the Society's officials at the lower of cost and net realisable value.

Debtors

Short term debtors are measured at transaction price, less impairment. Loan receivables are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Oxford Union Society
For the year ended 30 June 2018
Notes to the Accounts (continued)

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the society's cash management.

Financial instruments

The society only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the society would receive for the asset if it were to be sold at the balance sheet date.

Defined contribution pension scheme

The society operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the society pays fixed contributions into a separate entity. Once the contributions have been paid the society has no further payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the society in independently administered funds.

Current and deferred Taxation

The tax expense for the year comprises current and deferred tax.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the society operates and generates income.

Deferred taxation is the taxation attributable to timing differences between profit computed for taxation purposes and profit as stated in the accounts. Provision is made for deferred taxation to the extent that there is reasonable probability of the tax falling due for payment in the foreseeable future. Any such tax not provided for would be disclosed as a contingent liability. Deferred taxation is measured on an undiscounted basis. Deferred taxation assets are recognised only to the extent that it is considered that they will be recoverable.

Oxford Union Society
For the year ended 30 June 2018
Notes to the Accounts (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the accounting policies, the committee has made critical accounting judgements, estimates and assumptions about the carrying amount of the assets and liabilities. These estimates and assumptions are based on historical experience and are reviewed on a continual basis.

The critical accounting judgements, estimates and assumptions that have a material effect on the amounts recognised in the financial statements for the current year are discussed below:

Recoverability of debtors

The society establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

Determining residual values and useful economic lives of property, plant and equipment

The society depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use, and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value, management aims to assess the amount that the society would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Stock Provision

The society establishes a provision for stock that is slow-moving, obsolete, or damaged. The society has identified which stock items should be provided for given its knowledge of the relevant inventory lines.

3 Income

All income is derived from the UK.

Oxford Union Society
For the year ended 30 June 2018
Notes to the Accounts (continued)

4 Surplus after transfers and before taxation

	2018 £	2017 £
Surplus after transfers and before taxation is stated after charging:		
Auditor's remuneration		
Auditing services	8,500	8,500
Non-auditing services	800	800
Depreciation of owned fixed assets	6,551	7,225
Operating lease payments	-	2,476
Loss on disposal of tangible fixed assets	-	-
	<u> </u>	<u> </u>

5 Employees

The average number of employees in the reporting period was 17 (2017: 17).

6 Taxation

	2018 £	2017 £
Tax charge for the year	15,000	16,620
Overprovision for prior year	-	(175)
Total tax charge	<u>15,000</u>	<u>16,445</u>
Profit on ordinary activities before tax	<u>137,432</u>	<u>244,323</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2017: 19%)	26,112	46,421
Effects of:		
Mutual trading adjustment	(11,112)	(29,801)
Unutilised losses	-	-
Current tax charge for the year	<u>15,000</u>	<u>16,620</u>

There is no deferred tax charge in the period. In addition there is no un-provided deferred tax liability.

Oxford Union Society
For the year ended 30 June 2018
Notes to the Accounts (continued)

7 Investments

	£
Cost at 1 July 2017	100
Additions	-
As at 30 June 2018	<u>100</u>

Investments in subsidiary undertakings are as follows:

	Activity	Class of Shares	Incorporated in	Holding
Oxford Union Limited	Sale of filmed debates	Ordinary	England & Wales	100%

The registered office of Oxford Union Limited is Frewin Court, St Michael's Street, Oxford OX1 3JP.

The aggregate amount of capital and reserves and the results of this undertaking for the year ending 30 June 2018 were as follows

	Profit / (loss) 2018 £	Capital & Reserves 2018 £
Oxford Union Limited	<u>(30,486)</u>	<u>(64,862)</u>

8 Tangible fixed Assets

	Freehold Property £	Fixtures, Fittings & Equipment £	Total £
Group & Society			
Cost			
At 1 July 2017	162,000	44,274	206,274
Additions	-	20,867	20,865
Disposals	-	-	-
At 30 June 2018	<u>162,000</u>	<u>65,141</u>	<u>227,141</u>
Depreciation			
At 1 July 2016	-	29,603	29,603
Charge for year	-	6,551	6,551
At 30 June 2017	<u>-</u>	<u>36,154</u>	<u>36,154</u>
Net book amount			
At 30 June 2018	<u>162,000</u>	<u>28,987</u>	<u>190,987</u>
At 30 June 2017	<u>162,000</u>	<u>14,671</u>	<u>176,671</u>

Oxford Union Society
For the year ended 30 June 2018
Notes to the Accounts (continued)

Historically the freehold property was adjusted to a figure appropriate to the contemporary value of the properties of £162,000. The Committee is of the opinion that the open market value of the property would considerably exceed this value. The Committee has taken the transitional relief to hold the freehold property at cost from the date of transition and as a result no deferred tax has been provided on the revaluation amount.

9 Stocks

	2018 £	2017 £
Group and Society		
Finished goods for re-sale	<u>21,644</u>	<u>28,049</u>

10 Debtors

	2018 £	2017 £
Group		
Trade debtors	75,984	90,639
Prepayments and accrued income	<u>9,492</u>	<u>49,648</u>
	<u>85,476</u>	<u>140,287</u>

	2018 £	2017 £
Society		
Trade debtors	44,525	34,479
Prepayments and accrued income	9,492	46,708
Amounts owed by subsidiary	<u>127,677</u>	<u>102,677</u>
	<u>181,694</u>	<u>183,864</u>

Oxford Union Society
For the year ended 30 June 2018
Notes to the Accounts (continued)

11. Creditors: amounts falling due within one year

	2018 £	2017 £
Group		
Bank overdraft	-	-
Trade creditors	71,513	83,596
Accruals	78,585	65,250
Other taxes and social security costs	37,945	26,998
Other creditors	69,665	59,853
Corporation tax	16,260	16,620
	<u>273,968</u>	<u>258,804</u>

	2018 £	2017 £
Society		
Bank overdraft	-	-
Trade creditors	70,913	56,542
Accruals	36,082	63,466
Other tax and social security costs	33,408	22,759
Other creditors	69,665	59,854
Corporation tax	16,260	16,620
	<u>226,328</u>	<u>226,187</u>

Oxford Union Society
For the year ended 30 June 2018
Notes to the Accounts (continued)

12 Reserves

Revaluation reserve

This reserve represents the cumulative gains and losses on revaluation of freehold property held as tangible assets.

Accumulated funds

This reserve represents cumulative surpluses and deficits of the society.

Designated funds

Designated fund are unrestricted funds set aside by the Board for particular purposes. The designated funds set aside at the year end comprise of:

- £1,760 (2017: £1,760) - money from a one-off book sale, the proceeds of which will be used for future library improvements;
- £88,920 (2017: £88,920) - legacy and donations to be used to purchase art and library books; and
- £865,167 (2017: £755,167) - representing a commitment, on the part of the officers of the Society, towards the current and future necessity to maintain the fabric of the Society's freehold property, and the interiors of those properties which are leased to the Society. In consequence no depreciation of freehold property is provided.

13 Other financial commitments

At the year end, the group had minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Within 1 year	-	2,476
Within 2-5 years	-	-
	<u>-</u>	<u>2,476</u>

The group also leases land and buildings to third parties. The future minimum lease payments receivable under those non-cancellable leases are as follows:

	2018	2017
	£	£
Within 1 year	14,500	14,500
Within 2 - 5 years	23,750	23,750
	<u>38,250</u>	<u>38,250</u>

Oxford Union Society
For the year ended 30 June 2017
Notes to the Accounts (continued)

14 Related party transactions

During the year the society paid, on behalf of the trustees, trustee indemnity insurance of £3,608 (2017: £5,301). There were no amounts outstanding at the year end (2017: £nil).

During the year the society received a grant of £nil (2017: nil) from OLDUT. OLDUT charged The Oxford Union Society £14,851 (2017: £17,836) for room hire and other costs of £695 (2017: £38). At the year end, the society owed OLDUT £60,766 (2017: £45,915) which is included in other creditors.

During the year the society incurred costs totaling £20,000 (2017: £39,400) on behalf of Oxford Union Limited. At the year end the society was owed £127,677 (2017: £102,677) by Oxford Union Limited.

15 Ultimate controlling party

The ultimate controlling party is the Standing Committee. The Standing Committee is elected each term and all members are eligible to stand.