

QMSU SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

QMSU SERVICES LIMITED

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QMSU SERVICES LIMITED

LEGAL & ADMINISTRATIVE INFORMATION

Administrative information

Legal status

QMSU Services Limited, company number 06677304 (England and Wales), is a subsidiary of Queen Mary University of London Students' Union.

Registered Office	Students Union Hub 329 Mile End Road London E1 4NT
Managing Director	Mike Wojcik
Auditors	Taylorcocks The Courtyard, Shoreham Road Upper Beeding Steyning West Sussex BN44 3TN
Solicitors	Russell-Cooke LLP 2 Putney Hill London SW15 6AB
Bankers	Barclays Bank plc 240 Whitechapel Road London E1 1BS
Directors	
Chair	Vacant
Managing Director Ex-Officio	Mike Wojcik
QMSU President Ex-Officio	Ahmed Mahbub
QMUL Ex-Officio	Sarah Cowlis
QMUL Ex-Officio	Andrew Gladin
Non-Executive Director	Elizabeth Hall (Interim Chair)
Non-Executive Director	John Thew
Officer Trustee	Thomas Longbottom
Student Trustee	Renad Khundakji
QMSU Commercial Services Officer	John J E Vinson
Vice-President Barts	Jack Juckes
Company Secretary	Bradley Coales

QMSU SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018

The Directors present their report and audited financial statements for the year ended 31 July 2018 (the year).

1. Principal Activities

QMSU Services Limited, a commercial trading company (the "Company") is the wholly-owned subsidiary of Queen Mary University of London Students' Union (QMSU - the "Union").

The Company's principal activities are the operation of health and fitness centres, retail outlets, and bars/restaurants and cafés. These services are provided for students at Queen Mary University of London (QMUL) in support of the charitable aims and objectives of the Union, and are carried out from three of QMUL's campuses, all in London; at Mile End, Whitechapel and Charterhouse Square.

The Company supports the Union's 2018-2021 Strategic Plan under which the Union's mission is 'Together we improve students' lives', and its vision is 'We want to be at the heart of the student experience'. This plan recognises the Company as an enabler in supporting student engagement, principally by providing a range of commercial services as focal points to enhance the student experience. The Union has developed a 5-Year Plan to project forward its financial standing and sustainability. The Company's services and activities will endeavour to continue their support to achieve this goal in an ever-changing market place, against a background of external competitiveness.

The Company's portfolio of operations includes: -

Health and Fitness Provision

QMotion, on the Mile End campus, is a state-of-the-art health and fitness centre, offering a range of competitively priced services to its members, including students, staff and members of the public. Its vision is to provide a first class, contemporary sport and fitness centre, motivating members to enhance their lifestyle and achieve their personal goals. The Company also runs Fitness to Practice, a small gym within Dawson Hall, Charterhouse Square, open only to students and staff.

A joint five-year Sports Strategy was recently agreed between the Union and the University, the following captures the key aspirations:

Our mission

'To inspire our University community to engage in sport and activity, to enhance their student experience and physical and mental well-being, making life long changes.'

Our vision

To work together to deliver a diverse and inclusive sporting offer for all by enhancing and broadening the sporting pathway at QMUL, combining top quality education with an excellent sporting experience, and making sport a fundamental part of the student experience at QMUL.

Our values

- Sport at QMUL will aim to be diverse and inclusive, by ensuring that we attract engagement from all aspects of the population of the University, increasing participation levels.
- Sport at QMUL will aim to inspire our students to realise their full potential, promoting high levels of ethical and professional behaviour.
- To actively encourage engagement and the development of partnerships and communities both internally and externally.
- To provide a productive, affordable, sustainable sporting offer.

QMSU SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018

Student Bars/Restaurants and Cafes

Across the campuses, the Company operates the Drapers Bar & Kitchen at Mile End, the Griff Inn Bar & Kitchen, located within the Barts and The London Students' Association (BLSA) building in Whitechapel, and student entertainment provisions at both these locations. The Company also runs the Ground Café at Mile End, the Shield Café Bar in Charterhouse Square, and manages the Learning Café in QMUL's Mile End Library. By arrangement with QMUL, the Company oversees the trading and sports facility hiring activities at QMUL's Chislehurst Sports Ground in Kent.

Retail Outlets

The Company operates three retail outlets - the Village Shop and the Union Shop at Mile End, and the Box Office Reception in the BLSA building in Whitechapel.

This was an unusual financial year of mixed fortunes, with a couple of significant one-off issues arising. Turnover was slightly up on the previous year by 2.6%. The gift aid supporting the charity was £145,212 (2017: £258,858) with a company loss for the year of £13,388 (2017: £23,199).

This financial year was hindered by intrusive and disruptive major capital works on neighbouring University buildings on Godward Square adversely effecting trading at Qmotion, Drapers Bar and Kitchen and the Union Shop. The Board liaised with the University highlighting the business interruption, and mitigating investment was secured for the subsequent financial year. There was industrial action on campus for a number of weeks during the second semester and the campus was quieter on those days, also adversely effecting turnover. To assist in offsetting the down-turn in trade, the company developed the reach and breadth of its marketing and communications to reach new audiences and strengthen awareness of its offer.

Retail turnover dropped slightly on the previous year, in part due to the disruption to the Union Shop. The Village Shop however experienced a growth in turnover and profitability, despite increased local competition. To ensure the business remained competitive, the Board approved a shop refit over the summer of 2018. The Café business turnover increased by a significant 10%, and the bottom line was very strong for Ground Café. The licensed trade business continued to develop its food offering and events portfolio.

Though Qmotion sport and fitness centre experienced business interruption, membership of the centre was still popular, peaking at over 3,570 members. The Company has an important social purpose aspect to its business model, and the in-kind benefit has been calculated at £51,150 for the free use of sport facilities. The largest beneficiaries are the Club Sport teams representing the University, to whom 40% can be allocated. A further 29% is allocated to Get Active, our 'give it a go' recreational program, and 16% to the holding of student exams. The centre also released £3,600 worth of hire costs to our community sport program, particularly holiday sports camps for children.

3. Results and Dividends

The profit and loss account, set out on page 8 of this report, records a gross profit for the year of £1,239,905 (2017: £801,081) before administrative expenses and transfers. Net profit before gift aid was £131,824. (2017: £282,057). The Directors do not propose the payment of any ordinary dividend for the year (2017: £nil).

4. Overall Financial Performance and End of Year Position

Turnover for the company was £3,982,791 an increase on the previous year of £195,167 (5%).

The gross margin increased from 20.6% to 31.1%.

There continues to be a rise in competitors close to and on campus, who have invested heavily in their businesses.

The controls in the business continue to be robust, wages and salaries costs increased by 19% on the previous year, recognising the uplift to the London Living Wage for casual student staff. This transition was

QMSU SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018

financially supported by Queen Mary University of London. All staff, both permanent and casual, are paid at least the London Living Wage. The apprenticeship levy cost was £8,146, £5,866 up on the previous year as it was only introduced two-thirds of the way through the last financial year. Employer contributions to pensions have increased by 37% (£33,453), and social security costs by 31% (£25,506).

The company's financial, administration, communications and marketing support is undertaken by departments within the Group Charity, Queen Mary University of London Students' Union.

After gift aid, as shown on page 8, of £145,212 the Company returned a year-end loss of £13,388 (2017: year-end profit of £23,199).

5. Directors

The Directors who were in office during the year and those Directors of the Company who remain in office up to the date of approval of this report, and those Directors appointed since the year end are as stated below.

Alan J Begg	Chairman (ceased to act 31 July 2018)
Mike Wojcik	Managing Director
John Thew	(appointed 10 December 2015)
Sarah Cowls	(appointed 11 October 2017)
Andrew Gladin	(appointed 11 October 2017)
Elizabeth Hall	(appointed 11 October 2017 - Interim Chair)
Rakin Choudhury	(ceased to act 31 July 2018)
Yueqing Gao	(ceased to act 31 July 2018)
Thomas Longbottom	(ceased to act 31 July 2018)
Yasir Yeahia	(ceased to act 31 July 2018)
Ahmed Mahbub	(appointed 1 August 2018)
Jack Juckes	(appointed 31 October 2018)
John J E Vinson	(appointed 31 October 2018)
Renad Khundakji	(appointed 28 November 2018)
Thomas Longbottom	(appointed 28 November 2018)

6. Gift Aid

The Company gift aids all taxable profits to the Union as its parent charity, thereby resulting in a nil corporation tax charge for the year. Gift Aid in the current year amounted to £145,212 (2017: £258,858).

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the

QMSU SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018

Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

Taylorcocks have indicated their willingness to continue in office and their re-appointment will be proposed to the directors.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

ON BEHALF OF THE BOARD



Mike Wojcik
Managing Director, 27 February 2019

QMSU SERVICES LIMITED

Independent Auditors' Report to the Members

FOR THE YEAR ENDED 31 JULY 2018

We have audited the financial statements of QMSU Services Limited for the year ended 31 July 2018 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 directors are responsible for the other information. The other information comprises the information in the Report of the Directors but does not include the financial statements and our Report of the Auditors 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 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, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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

QMSU SERVICES LIMITED

Independent Auditors' Report to the Members

FOR THE YEAR ENDED 31 JULY 2018

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- The directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small company's exemption in preparing the report of the directors, and exemption from the requirement to prepare a Strategic Report.

Responsibilities of the directors

As explained more fully in the Statement of Directors Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Our 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 a Report of the Auditors 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 Report of the Auditors.

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

Mark Cummins

Mr Mark Cummins FCCA (Senior Statutory Auditor)
for and on behalf of

 **taylorcocks**

Statutory Auditors
Office: Steyning, West Sussex

Dated: 26 April 2019

QMSU SERVICES LIMITED

Profit and Loss Account

FOR THE YEAR ENDED 31 JULY 2018

	Note	2018 £	2017 £
Turnover	4	3,982,791	3,880,709
Cost of sales		(2,742,886)	(3,079,628)
Gross Profit		1,239,905	801,081
Administrative expenses		(1,110,480)	(728,795)
Transfer from Capital Funds	11	2,399	209,771
Profit on Ordinary Activities before Taxation		131,824	282,057
Gift aid payment		(145,212)	(258,858)
Profit/(Loss) for the Financial Year		(13,388)	23,199
Other comprehensive income		-	-
Total comprehensive income/(expenditure)		(13,388)	23,199

All recognised gains and losses in the year and the previous year are included in the profit and loss account. Further detail is provided in the statement of changes in equity.

Results for the year and the previous year as set out above are derived entirely from continuing operations.

The notes on pages 11 to 16 form part of these financial statements.

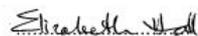
QMSU SERVICES LIMITED

BALANCE SHEET

AS AT ENDED 31 JULY 2018

	Note	2018 £	2017 £
Fixed Assets			
Tangible Assets	8	<u>123,658</u>	<u>147,751</u>
		123,658	147,751
Current Assets			
Stock		78,003	81,677
Debtors	9	446,959	379,524
Cash at bank and in hand		<u>113,775</u>	<u>20,860</u>
		638,737	482,061
Creditors: Amounts falling due within one year	10	<u>(577,972)</u>	<u>(429,602)</u>
Current Assets Less Current Liabilities		<u>60,765</u>	<u>52,459</u>
Total Assets Less Current Liabilities		<u>184,423</u>	<u>200,210</u>
Capital and Reserves			
Deferred capital grants	11	7,199	9,598
Called up share capital		1	1
Profit and Loss account		<u>177,223</u>	<u>190,611</u>
Total Capital and Reserves		<u>184,423</u>	<u>200,210</u>

The financial statements were approved by the Board of Directors on 27 February 2019 and signed on its behalf by:



Elizabeth Hall
Interim Chair



Mike Wojcik
Managing Director

Company no. 6677304

The notes on pages 11 to 16 form part of these financial statements.

QMSU SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2018

	Called up share capital £	Deferred capital grant £	Retained earnings £	Total equity £
Balance at 1 August 2016	1	207,372	167,412	374,785
Changes in equity				
Capital grant	-	(197,774)	-	(197,774)
Comprehensive income	-	-	23,199	23,199
Balance at 31 July 2017	1	9,598	190,611	200,210
Changes in equity				
Capital grant	-	(2,399)	-	(2,399)
Comprehensive income	-	-	(13,388)	(13,388)
Balance at 31 July 2018	1	7,199	177,223	184,423

QMSU SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

1. STATUTORY INFORMATION

QMSU Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and have been prepared on a going concern basis.

Turnover

Turnover represents the total invoiced value, excluding value added tax, of sales made during the year and derives from the provision of goods/services falling within the Company's ordinary activities.

Expenditure

All expenditure is accounted for on an accruals basis.

Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of Fixed Assets on a straight-line basis over the expected useful lives of the assets.

Building improvements are capitalised although the Company has no title to the underlying building, title vesting in Queen Mary University of London. The costs are capitalised because they are of enduring benefit to the Company's trade and as both parties recognise that the Company's use of the premises is for the longer term. Building improvements are depreciated over 5 or 10 years on a straight-line basis depending on the nature of the improvement and the underlying asset.

Fixtures, fittings and equipment are depreciated over 5 years on a straight-line basis.

Deferred Capital Grants

Where assets are acquired with the aid of specific grants they are capitalised and depreciated as per the depreciation policy above. The related grants are treated as deferred capital grants and released to income in line with the depreciation charge.

Pensions

As described in Note 6, pension costs relate to recharges of pension costs incurred in relation the staff employed by Queen Mary University of London working for the company. The recharges relate to two defined benefit pension schemes, the Superannuation Arrangements of the University of London and the Universities Superannuation Scheme. Both are multi-employer schemes where the share of assets and liabilities attributable to each employer cannot be allocated on a systematic basis. Pension costs are therefore accounted for on a defined contribution basis as permitted by section 28 of FRS102 and are recharged to the company accordingly.

QMSU SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Stock

Stocks are valued at the lower of cost and net realisable value on a weighted average basis, with a 5% provision for slow moving stock.

Operating Leases

Costs in respect of Operating Leases are charged to the profit and loss account as premiums become payable.

Cash Flow

Under FRS102, the Company is exempt from the requirement to prepare a cash flow statement, on the grounds that the ultimate parent undertaking includes the Company in its own published consolidated statements.

Deferred Tax

As the Company intends to gift aid all taxable profits to the Union as its parent charity, no deferred tax provision is required.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments. The directors seek to use short and medium-term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

Creditors and provisions

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Debtors

Trade and other debtors are recognised at settlement amount due.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	2018 £	2017 £
Depreciation	58,462	273,408
Auditors' remuneration	5,705	6,576
Operating lease charges	<u>132,963</u>	<u>128,205</u>

QMSU SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

4. TURNOVER

By Trading Activity, all in the United Kingdom market:

	2018 £	2017 £
Gyms	784,149	750,838
Bars	840,380	837,545
Cafes	1,167,646	1,057,746
Retail outlets	911,467	925,232
Entertainments	161,663	181,981
Other Income	78,622	83,733
NUS Card Sales	38,864	43,634
	<u>3,982,791</u>	<u>3,880,709</u>

5. STAFF COSTS

Staff costs excluding directors:

	2018 £	2017 £
Wages and salaries	1,675,737	1,431,934
Social Security costs	108,274	82,768
Pension costs	110,055	87,592
Apprenticeship Levy	8,146	2,280
	<u>1,902,212</u>	<u>1,604,574</u>

Directors' remuneration:

	2018 £	2017 £
Aggregate emoluments including social security costs	88,315	20,553
Company pension contribution for one director	14,314	3,324
Apprenticeship Levy	366	28
	<u>102,995</u>	<u>23,905</u>

The monthly average number of staff, including executive directors, during the period was 201 (2017: 177).

The Company does not employ labour directly. It relies on the services of permanent full time and part time members of staff who are employees of Queen Mary University of London, and casual members of staff who are jointly employed by Queen Mary University of London and the Union. The Company accepts recharges at cost for their services.

QMSU SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

6. PENSION COSTS

Pension costs consist entirely of recharges relating to staff employed by Queen Mary University of London (QMUL). Recharges are based upon scheme contribution rates, staff salaries and time spent by staff working on QMSU Services Limited activities.

The recharged pension costs relate to two QMUL pension schemes, the Universities Superannuation Scheme (a defined benefit only pension scheme which was contracted out of the State Second Pension) and the Superannuation Arrangements for the University of London (a centralised defined benefit scheme within the United Kingdom, contracted-out of the Second State Pension).

Further information relating to these schemes can be found in the QMUL accounts for the year to 31 July 2018 which are available to download from the QMUL website.

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

No corporation tax charge arose in the year ended 31 July 2018.

RECONCILIATION OF CURRENT TAX CHARGE

	2018 £	2017 £
Profit on ordinary activities before taxation	<u>131,824</u>	<u>282,057</u>
Profit on ordinary activities at 19%	25,047	55,469
Effect of difference between depreciation and capital allowances	3,000	36,691
Non-taxable income	(457)	(41,253)
Gift Aid (19% of £145,212 donation to parent)	(27,590)	(50,907)
Total Current Tax	<u><u>-</u></u>	<u><u>-</u></u>

The Company gift aids profits which are assessed to corporation tax to the Union as its parent charity and as such no tax charge arises.

QMSU SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

8. TANGIBLE ASSETS

	Building Works £	Equipment Fixtures & Fittings £	Total £
Cost			
At 1 August 2017	1,077,685	548,653	1,626,338
Additions	-	34,370	34,370
Disposals		(56,018)	(56,018)
At 31 July 2018	<u>1,077,685</u>	<u>527,005</u>	<u>1,604,690</u>
Accumulated Depreciation			
At 1 August 2017	(1,066,612)	(411,976)	(1,478,588)
Charge for the period	(9,151)	(49,311)	(58,462)
Disposals	-	56,018	56,018
At 31 July 2018	<u>(1,075,763)</u>	<u>(405,269)</u>	<u>(1,481,032)</u>
Net Book Value			
At 31 July 2018	<u>1,922</u>	<u>121,736</u>	<u>123,658</u>
At 31 July 2017	<u>11,073</u>	<u>136,677</u>	<u>147,750</u>

9. DEBTORS

	2018 £	2017 £
Trade debtors	9,888	10,874
Amounts due from Queen Mary University of London	31,469	10,713
Prepayments and accrued income	53,534	37,266
Other debtors	420	-
Amount due from Ultimate Parent Undertaking	351,648	320,671
	<u>446,959</u>	<u>379,524</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	44,034	76,931
Accruals and deferred income	155,374	147,539
Amount owed to Queen Mary University of London	378,564	142,525
Bank overdraft	-	62,607
	<u>577,972</u>	<u>429,602</u>

QMSU SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

11. DEFERRED CAPITAL GRANTS

	Balance at 1 August 2017 £	Transfers Capital Grant £	Depreciation £	Balance at 31 July 2018 £
Deferred Capital Grants Reserve	9,598	-	(2,399)	7,199

12. FINANCIAL COMMITMENTS

The Company had total commitments under non-cancellable operating leases as follows:

	Land and buildings 2018 £	2017 £	Other 2018 £	2017 £
Within one year	15,222	88,824	44,175	42,041
Between one and two years	-	-	44,175	42,041
Between two and five years	-	-	20,626	60,000
	<u>15,222</u>	<u>88,824</u>	<u>108,976</u>	<u>144,082</u>

13. ULTIMATE PARENT AND CONTROLLING INTEREST

The ultimate parent undertaking and controlling party at the balance sheet date was Queen Mary University of London Students' Union, a company limited by guarantee (company number 8092471) and a charity registered in the United Kingdom (charity number 1147786). Copies of the ultimate parent undertaking's accounts can be obtained from their website. The parent undertaking shares an address with QMSU Services Limited.

14. RELATED PARTY TRANSACTIONS

The Company is exempt from disclosure of transactions with group undertakings under Financial Reporting Standard 102 as it is wholly owned within Queen Mary University of London Students' Union's consolidated accounts.