

Cardiff Union Services Ltd
Gwasanaethau Undeb Caerdydd Cyf

Limited by Guarantee

Directors' Annual Report
& Financial Statements

for the year ended 31st July 2015

Registered Company Number 02287517

Cardiff Union Services Limited
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Cardiff Union Services Limited
Company Information

Directors	Rakesh Aggarwal Claire Blakeway Susan Gwyer-Roberts Marc Harries Katherine Kelly Daniel Palmer Hannah Sterritt Matthew Williams
Registered office	Cardiff Students Union Park Place Cardiff South Glamorgan CF10 3QN
Auditors	Blue Spire Limited Chartered Accountants and Statutory Auditors Cawley Priors South Pallant Chichester West Sussex PO19 1SY

Cardiff Union Services Limited

Directors' Report for the Year Ended 31 July 2015

The directors present their report and the financial statements for the year ended 31 July 2015.

Principal activity

The principal activity of the company is that of services and facilities to provide the social and educational welfare of the students at Cardiff University.

Directors of the company

The directors who held office during the year were as follows:

Rakesh Aggarwal (appointed 28 April 2015)

Faraz Alauddin (resigned 30 June 2015)

Claire Blakeway

Thomas Eden (resigned 21 October 2014)

Kim Gould MBE (resigned 28 April 2015)

Bryn Griffiths (resigned 30 June 2015)

Susan Gwyer-Roberts

Marc Harries (appointed 26 March 2015)

Elliot Howells (resigned 30 June 2015)

Rhys Jenkins (resigned 30 June 2015)

Katherine Kelly (appointed 1 July 2015)

Gethin Lewis (resigned 30 June 2015)

Daniel Palmer (appointed 1 July 2015)

Richard Roberts CBE (resigned 30 June 2015)

Hannah Sterritt (appointed 1 July 2015)

Alexandra Thornton-Reid (appointed 4 November 2014 and resigned 30 June 2015)

Sir Donald Walters (resigned 26 March 2015)

Matthew Williams (appointed 4 November 2014)

Barnaby Willis (resigned 30 June 2015)

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual 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 elected to prepare 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Cardiff Union Services Limited
Directors' Report for the Year Ended 31 July 2015

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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 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 the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on and signed on its behalf by:

.....
Claire Blakeway
Director

Independent Auditor's Report to the Members of Cardiff Union Services Limited

We have audited the financial statements of Cardiff Union Services Limited for the year ended 31 July 2015, set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 2), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of
Cardiff Union Services Limited**

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Matters on which we are required to report by exception

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

- 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

.....
Geoffrey Frost BSc (Hons) FCA (Senior Statutory Auditor)
For and on behalf of Blue Spire Limited, Statutory Auditor

Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Date:.....

Cardiff Union Services Limited
Profit and Loss Account for the Year Ended 31 July 2015

	Note	2015 £	2014 £
Turnover	2	3,427,602	4,361,289
Cost of sales		<u>(1,668,904)</u>	<u>(2,338,340)</u>
Gross profit		1,758,698	2,022,949
Administrative expenses		(3,083,997)	(3,766,805)
Other operating income		<u>1,441,000</u>	<u>1,903,000</u>
Operating profit	3	115,701	159,144
Other exceptional items	4	-	(588,141)
Other interest receivable and similar income		887	1,178
Interest payable and similar charges	5	<u>(140,117)</u>	<u>(3,850)</u>
Loss on ordinary activities before taxation		<u>(23,529)</u>	<u>(431,669)</u>
Loss for the financial year	12	<u><u>(23,529)</u></u>	<u><u>(431,669)</u></u>

Cardiff Union Services Limited
(Registration number: 02287517)
Balance Sheet at 31 July 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible fixed assets	7	350,153	213,335
Investments	8	71,563	71,563
		<u>421,716</u>	<u>284,898</u>
Current assets			
Stocks		153,042	106,095
Debtors	9	575,814	1,005,015
Cash at bank and in hand		213,529	407,773
		942,385	1,518,883
Creditors: Amounts falling due within one year	10	<u>(912,088)</u>	<u>(1,305,643)</u>
Net current assets		<u>30,297</u>	<u>213,240</u>
Net assets excluding pension liability		452,013	498,138
Net pension liability		<u>(2,686,590)</u>	<u>(2,709,187)</u>
Net liabilities		<u><u>(2,234,577)</u></u>	<u><u>(2,211,049)</u></u>
Capital and reserves			
Profit and loss account	12	<u>(2,234,577)</u>	<u>(2,211,049)</u>
Shareholders' deficit		<u><u>(2,234,577)</u></u>	<u><u>(2,211,049)</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

Approved and authorised for issue by the Board on and signed on its behalf by:

.....
 Claire Blakeway
 Director

Cardiff Union Services Limited

Notes to the Financial Statements for the Year Ended 31 July 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents amounts receivable for goods and services net of VAT where applicable.

Depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	over 5-10 years
Plant and machinery	over 7-10 years
Computer equipment	over 3 years

Fixed asset investments

Fixed asset investments are stated at cost less provision for diminution in value.

Stock

Stock and work in progress are valued at the lower of cost and net realisable value.

Pensions

The company participates in the Student Union Superannuation Scheme, a defined benefit scheme, which is externally funded and contracted out of the State Earning Related pension Scheme. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contributions payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. The scheme operates as a pooled arrangement, the contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the company. The discounted present value of the future deficit contributions has been recognised in full.

Cardiff Union Services Limited

Notes to the Financial Statements for the Year Ended 31 July 2015

..... *continued*

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

An analysis of turnover by class of business is given below:

	2015 £	2014 £
Bars and food	1,951,573	1,795,759
Shops	260,489	327,749
Entertainment and venue	633,111	719,722
Advertising and marketing	79,778	96,573
Letting agency	318,750	387,973
Jobshop agency	-	907,174
Other income	183,901	126,339
	3,427,602	4,361,289

3 Operating profit

Operating profit is stated after charging:

	2015 £	2014 £
Auditor's remuneration - The audit of the company's annual accounts	14,250	12,111
Profit on sale of tangible fixed assets	-	(665)
Depreciation of tangible fixed assets	103,350	180,723
	103,350	180,723

4 Exceptional items

	2015 £	2014 £
Other exceptional item	-	260,317
Pensions deficit liability	-	548,730
VAT recovered	-	(220,906)
	-	588,141

5 Interest payable and similar charges

	2015 £	2014 £
Other interest payable	-	3,850
Unwinding of discount of pension liability	140,117	-
	140,117	3,850

Cardiff Union Services Limited

Notes to the Financial Statements for the Year Ended 31 July 2015

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6 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

No taxation arises on the results for the year. In 2015, a large proportion of the company's trading activities consisted of mutual trading on which no liability to tax arises. The element of taxable income relating to non-mutual trading activities is covered by charges on income.

7 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 August 2014	1,450,648	1,442,594	2,893,242
Additions	<u>56,672</u>	<u>183,496</u>	<u>240,168</u>
At 31 July 2015	<u>1,507,320</u>	<u>1,626,090</u>	<u>3,133,410</u>
Depreciation			
At 1 August 2014	1,335,134	1,344,773	2,679,907
Charge for the year	<u>41,898</u>	<u>61,452</u>	<u>103,350</u>
At 31 July 2015	<u>1,377,032</u>	<u>1,406,225</u>	<u>2,783,257</u>
Net book value			
At 31 July 2015	<u><u>130,288</u></u>	<u><u>219,865</u></u>	<u><u>350,153</u></u>
At 31 July 2014	<u><u>115,514</u></u>	<u><u>97,821</u></u>	<u><u>213,335</u></u>

Cardiff Union Services Limited

Notes to the Financial Statements for the Year Ended 31 July 2015

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8 Investments held as fixed assets

Other investments

	Unlisted investments £	Total £
Cost		
At 1 August 2014	71,563	71,563
At 31 July 2015	71,563	71,563
Net book value		
At 31 July 2015	71,563	71,563
At 31 July 2014	71,563	71,563

The market value of the investments is considered to be in excess of cost, and no provision for diminution in value is considered necessary.

9 Debtors

	2015 £	2014 £
Trade debtors	121,120	572,426
Other debtors	454,694	432,589
	575,814	1,005,015

10 Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	359,479	309,065
Other taxes and social security	65,165	49,313
Other creditors	487,444	947,265
	912,088	1,305,643

11 Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

Cardiff Union Services Limited

Notes to the Financial Statements for the Year Ended 31 July 2015

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12 Reserves

	Profit and loss account £	Total £
At 1 August 2014	(2,211,048)	(2,211,048)
Loss for the year	<u>(23,529)</u>	<u>(23,529)</u>
At 31 July 2015	<u><u>(2,234,577)</u></u>	<u><u>(2,234,577)</u></u>

13 Commitments

Operating lease commitments

As at 31 July 2015 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2015 £	2014 £
Within one year	30,926	2,886
Within two and five years	9,621	36,421
Over five years	<u>-</u>	<u>7,957</u>
	<u><u>40,547</u></u>	<u><u>47,264</u></u>

Pension commitments

Cardiff Union Services Limited 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 2013 and showed that the market value of the Scheme's assets was £80,910,623 with these assets representing 52% 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 £73,849,000.

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 2013:-

- 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.

Cardiff Union Services Limited

Notes to the Financial Statements for the Year Ended 31 July 2015

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The 2013 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 will increase by at least 5% each year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2014 and will be formally reviewed following completion of the next Valuation due with an effective date of 30 June 2016. Surpluses or deficits which arise at future valuations will also impact on Cardiff Union Services Limited's future contribution commitment. In addition to the above contributions, Cardiff Union Services Limited also pays its share of the Scheme's levy to the Pension Protection Fund.

The total deficit contributions paid into the Scheme by Cardiff Union Services Limited in respect of eligible employees for the year ended 31 July 2015 amounted to £162,714. Commitments provided for in the accounts amounted to £2,686,590.