

Cardiff University Students' Union
Undeb Myfyrwyr Prifysgol Caerdydd

Limited by Guarantee

**Amending Trustees' Annual Report
& Consolidated Financial Statements**

for the year ended 31st July 2016

Registered Charity Number 1137163
Registered Company Number 07328777

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

INDEX

	Page
Reference and administrative details	1
Trustees' report	2
Independent auditors' report	7
Consolidated and parent statement of financial activities	9
Consolidated and parent balance sheet	10
Consolidated and parent statement of cash flows	11
Consolidated and parent accounting policies	12
Consolidated and parent notes to the financial statements	15

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees (and directors)

Sabbatical Trustees

President	Sophie Timbers (from 1 July 2016)
President	Claire Blakeway (from 1 July 2015, to 30 June 2016)
VP Societies	Milly Dyer (from 1 July 2016)
VP Societies	Hannah Sterritt (from 1 July 2015, to 30 June 2016)
VP Sports & AU President	Elin Harding (from 1 July 2016)
VP Sports & AU President	Sam Parsons (from 1 July 2015, to 30 June 2016)
VP Education	Mo Hanafy (from 1 July 2016)
VP Education	Sophie Timbers (from 1 July 2015, to 30 June 2016)
VP Heath Park	Niko Ciecierski-Holmes (from 1 July 2016)
VP Heath Park	Katey Beggan (from 1 July 2015, to 11 March 2016)
VP Postgraduate	Alex Kuklenko (from 1 July 2016)
VP Postgraduate	Katie Kelly (from 1 July 2015, to 30 June 2016)
VP Welfare	Hollie Cooke (from 1 July 2016)
VP Welfare	Kate Delaney (from 1 July 2015, to 31 March 2016)

Student Trustees

Non-portfolio	Matthew Williams
Non-portfolio	Sarah Hopkins-Weaver (from 18 July 2016)
Non-portfolio	Alex Williams (from 18 July 2016)
Non-portfolio	Alexandra Thornton-Reid (to 30 June 2016)
Non-portfolio	Thomas Tilston (to 30 June 2016)

University Nominated Trustees

Non-portfolio	Gethin Lewis
Non-portfolio	Mark Leighfield (from 18 July 2016)
Non-portfolio	Susan Gwyer-Roberts (to 30 June 2016)

External Trustees

Non-portfolio	Richard Roberts CBE
Non-portfolio	Rakesh Aggarwal
Non-portfolio	Bethan Walsh (from 2 February 2016)
Non-portfolio	Joseph Al-Khayat (to 17 September 2015)

Chief Executive

Daniel Palmer

Registered Office

Park Place
Cardiff
Wales
CF10 3QN

Registered Company Number

07328777

Registered Charity Number

1137163

Auditors

Blue Spire Limited
Cawley Priory
South Pallant
Chichester
West Sussex, PO19 1SY

Bankers

Lloyds TSB Bank Plc
31 Queen Street
Cardiff, CF10 2AG

Santander UK PLC
Bootle
Merseyside, L30 4GB

Solicitors

TLT LLP
1 Redcliff St
Bristol, BS1 6TP

Poppleston Allen
37 Stoney Street
Nottingham, NG1 1LS

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

TRUSTEES' REPORT

The Trustees have pleasure in presenting their annual report for the purposes of the Charities Act 2011 and the Companies Act 2006, together with the accounts for the year ended 31 July 2016. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005, in preparing the annual report and financial statements of the charity.

STRUCTURE GOVERNANCE AND MANAGEMENT

The Union is a registered charity (Charity No: **1137163**) linked to Cardiff University (the University). The Union is also a company limited by guarantee registered in England and Wales (Company No: **07328777**). The Union is constituted by its Memorandum and Articles of Association and is controlled by a Board of Trustees, who act as Directors for the purposes of company law and Trustees for the purposes of charity law. Decisions are made by simple majority vote.

From 1st August 2015 onwards the Union has been the sole member of two companies: Cardiff Union Services Limited (CUSL) and Cardiff Volunteering Limited (CV). These companies, along with the Union are reported as a group within the Year End accounts that accompany this report.

The Union is a students' union, as defined in the Education Act 1994, with internal regulations and rules approved by its Board of Trustees and the University Council of Cardiff University.

The Union has fifteen Trustees and are made up of the following persons:

- Seven Sabbatical Trustees, elected in accordance with the Union's Memorandum and Articles of Association and elections rules;
- Three Student Trustees, appointed in accordance with the Union's Memorandum and Articles of Association;
- Three External Trustees, appointed in accordance with the Union's Memorandum and Articles of Association;
- Two University Nominated Trustees, appointed in accordance with the Union's Memorandum and Articles of Association.

The Union's Board of Trustees meets at least four times a year and is responsible for maintaining legal, financial and reputational integrity whilst setting the organisation's strategy, approving general policies and approving the annual budgets and accounts. The Board has established five sub committees to ensure effective oversight of operations and where appropriate invites experts to attend these sub committees to provide advice. They are:

Finance & Audit Committee	Appointments & Remuneration Committee
Health, Environment, Maintenance and Safety Committee	Chief Executive's Appraisal Group
Human Resources Committee	

All new Trustees are provided induction training and given an introduction to the activities of the Union by the existing Board and the Chief Executive. Trustees are provided with ongoing training as and when required, based on an assessment of their existing skills set and according to the Board's annually approved Development Plan.

The political and campaigning policies of the Union are set by the Student Council (referred to as the Student Senate for publicity purposes) and executed by the Sabbatical Trustees and other elected student officers. The Board of Trustees maintains an oversight of these policies in accordance with their duties. The Union's Student Senate membership comprises students elected by the Union's student members.

DELEGATION OF RESPONSIBILITIES TO A CHIEF EXECUTIVE

The Board of Trustees delegates the day-to-day management of the Union to a Chief Executive, through a scheme of delegated authority approved from time to time by the Board. To ensure effective management the Chief Executive delegates work to a Senior Management Team, with responsibility for operational management of the Union's activities, services and representation support. During 2015/16 they were:

Chief Executive	Daniel Palmer
Interim Deputy Chief Executive (Director of Operations)	Ben Eagle (Interim Deputy Chief Executive from 4 April 2016)
Director of Membership Services	Steve Wilford
Director of Commercial Services	Mark Cheeseman
Director of Finance	Alice Courtney-Hatcher (to 10 December 2015)

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

TRUSTEES' REPORT

The Union's staff, including its senior managers, are employees of CUSL who are seconded to the Union to carry out its work. Between both companies approximately 110 permanent staff and a further 300 occasional staff are employed for the sake of continuity in the management of its activities. All staff are accountable to the Chief Executive for the performance of their duties, via a line management structure of delegated authority.

The Union has adopted a job evaluation scheme, overseen to the Chief Executive, to ensure that pay for staff roles are fair and related to the level of responsibilities undertaken. The pay for the Chief Executive and the Sabbatical Trustees are set by a subcommittee of the Board, the Appointments and Remuneration Committee, which meets annually and take account of benchmarks within other large students' unions and charities.

RELATIONSHIP WITH RELATED PARTIES

The relationship between the University and the Union is established in an ordinance of the University's governing documents and the Union receives a grant from the University, by agreement with the University on an annual basis. The Union also leases buildings owned by the University and this non-monetary support is intrinsic to the relationship between the University and the Union.

Although the Union continues to generate supplementary income from various mutual-trading activities, it is dependent on the University's financial support. There is no reason to believe that this or equivalent support from the University will not continue for the foreseeable future. The 1994 Education Act imposes a duty on the University to ensure that the Union operates in a fair and democratic manner and is accountable for its finances.

From 1st August 2015 CUSL and CV became wholly-owned subsidiary companies of the Union by virtue of sole membership, with independent Boards of Directors. CUSL trades for the purpose of providing services to Cardiff University students and generates commercial income to support the Union's charitable objectives. In 2015 CUSL made a gift in kind to the Union of £927,064. In 2016 CUSL employed staff to support CV's activities and providing associated support services.

The Union is affiliated to the following organisations: the National Union of Students (NUS); British Universities and Colleges Sport (BUCS); and the Association of College Unions International (ACUI). All affiliations are ratified annually by the Student Members' Annual Members Meeting, last held on 12th November 2015.

RISK MANAGEMENT

The Trustees examine the major strategic, business and operational risks faced by the Union. The Union maintains a risk register that is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks faced by the Union. These procedures are periodically reviewed to ensure that they continue to meet the needs of the Union.

Budgetary and internal control risks are minimised by expenditure limits set by the Board of Trustees. In addition, stringent procedures are in place to ensure the health and safety of staff, volunteers and participants on all activities organised by the Union. All other types of risk have specific mitigation plans that are implemented by appropriate staff and reported to the Board of Trustees.

OBJECTIVES AND ACTIVITIES

The objects of the charity are the advancement of education of students at Cardiff University for the public benefit by:

- Promoting the interests and welfare of students at Cardiff University during their course of study and representing, supporting and advising students;
- Being the recognised representative channel between students and Cardiff 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 students.

In shaping the Union's objectives for the year and planning its activities, the Trustees have considered the Charity Commission's general and relevant supplementary guidance on public benefit. In pursuit of these aims for the public benefit, the Union has established departments and services for use by its members and works with the University and other organisations on behalf of Cardiff University students. A comprehensive and numerical breakdown of the Union's activities

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

TRUSTEES' REPORT

is attached to this report (unless downloaded from Companies House, in which case it can be downloaded from: www.cardiffstudents.com/about-cusu/governance/annual-impact-reports).

The Union sets its long term priorities according to its strategic plan, reviewed periodically and informed by research undertaken with Cardiff University students. The Trustees consider the strategic plan when setting the Union's top 20 short-term (annual) objectives, articulated in a balanced scorecard and pursued by Trustees and Union staff. The Union's performance against its short term objectives and a breakdown of the resources used, including staff time and money spent to achieve these objectives, is attached to this report (unless downloaded from Companies House, in which case it can be downloaded from: www.cardiffstudents.com/about-cusu/governance/annual-impact-reports) and a copy of the Union's longer-term (strategic) plan can be seen at: www.cardiffstudents.com/about-cusu/plans.

The Union provided a long-standing framework of grant funding for affiliated student sports clubs and societies of the Union, in accordance with the provisions stated within the 1994 Education Act. In total the Union allocated grants to these groups totalling £34,974.

The Union makes use of volunteers, who in most cases are also beneficiaries, to achieve its objectives. Volunteers are engaged in activities such as inducting new students into the University, supervising social, cultural, sporting and recreational activities and in representing students to the University and external bodies. The Union has not conducted an exercise to identify the number of hours' volunteers contribute or its staff equivalency.

ACHIEVEMENTS AND PERFORMANCE

The Union's significant activities, achievements and performance is articulated through its progress against its balanced scorecard objectives and is attached to this report (unless downloaded from Companies House, in which case it can be downloaded from: www.cardiffstudents.com/about-cusu/governance/annual-impact-reports). The Trustees take due regard of the positive and negative factors inside and outside of the Union when setting its plans and dedicate two days a year to this activity.

No material fundraising, investment or spending to raise future income targets were set or undertaken during the year.

FINANCIAL REVIEW

The Statement of Financial Activities is set out on page 9 of the financial statements. The Charity's total income amounted to £4,257,850 with total expenditure of £4,258,698. Overall this resulted in a net year end deficit of £848 in the Charity.

Included within the total income figure above is £2,666,000 of block grant income from Cardiff University.

At 31 July 2016 the Union's free reserves (i.e. unrestricted funds not represented by fixed assets) amounted to a deficit of £23,645, (2015: £1,194). The Trustees are satisfied that Cardiff University Students' Union has a sound financial base from which to continue to provide its services to Cardiff University students.

A subsidiary company of the Union, Cardiff Union Services Limited, has a pension liability at the Year End of £2,663,371. The deficit principally arises from the company's future obligations towards the Students' Union Superannuation Scheme (SUSS) pension scheme, which was closed to future accrual in 2011. The directors are satisfied that it has the funds to meet the obligations to the fund as they fall due over the life of the scheduled deficit recovery plan of 16 years.

During the year the subsidiary company wrote off irrecoverable VAT amounting to £306,746 due to a significant valuation disagreement between the Union and its VAT adviser and HMRC. Future negative one-off adjustments are not expected in future and the directors expect that the company will return an operating profit in 2017.

More information on the performance and asset position of Cardiff University Students' Union and Cardiff Union Services Limited is provided in our Annual Impact Report which can be accessed on our website.

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

TRUSTEES' REPORT

Reserves Policy

The Trustees annually review the Union's reserves position and set targets for reserves levels in accordance with the future needs should funding not be available from the principle funding source. The current policy states that the Union will budget to achieve surpluses between £100,000 and £150,000 annually to build sufficient reserves.

Principal Funding Sources

The principal funder is Cardiff University, via its support for the Union and Cardiff Union Services Limited.

Investment Policy

Investments are stated at market value at the balance sheet date. The charity has the power to invest surplus funds as it sees fit.

PLANS FOR FUTURE PERIODS

The Union's strategic plan – Working with every Cardiff student to enhance their university experience 2014-17 – was developed during 2013/14 after consulting students, the Union's staff and Cardiff University. The plan contains seven goals: Understanding our students; Developing our students; Having a positive impact on the University and the wider community; Building the Heath Park student experience; Maintaining a sustainable organisation; Creating sector-leading facilities; and being excellent at what we do. The plan can be downloaded from www.cardiffstudents.com/our-plan.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also directors of Cardiff University Students' Union for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

TRUSTEES' REPORT

APPOINTMENT OF AUDITORS

The Union's auditors, Blue Spire Limited, have expressed their willingness to remain as auditors to the charity and a proposal to reappoint them will be put forward to the Trustees in due course.

This report has been prepared having taken advantage of the small companies' exemption in the Companies Act 2006 and was approved by the Board and signed on its behalf.

Sophie Timbers
President and Chair of the Board of Trustees

Date

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARDIFF UNIVERSITY STUDENTS' UNION

We have audited the financial statements of Cardiff University Students' Union for the year ended 31 July 2016 which comprise the Consolidated and Parent Statement of Financial Activities, the Consolidated and Parent Balance Sheet, the Consolidated and Parent Statement of Cash Flows and the related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2016, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

CARDIFF UNIVERSITY STUDENTS' UNION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

INDEPENDENT AUDITORS' REPORT

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:

- the parent charitable company has not kept adequate and sufficient accounting records for our audit; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

Cawley Priors
South Pallant
Chichester
West Sussex
PO19 1SY

Date

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

CONSOLIDATED AND PARENT CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

		Consolidated 2016 Unrestricted Total Funds £	Parent charity 2016 Unrestricted Total Funds £	2015 Unrestricted Total Funds £
INCOME AND ENDOWMENTS FROM:				
Donations and legacies - Block grant	1	2,666,000	1,206,000	1,160,000
Donations and legacies - Donations in kind	2	-	-	927,064
Other trading income	3	3,663,405	-	-
Charitable activities	6	1,600,597	1,591,850	1,414,012
Investments	7	878	-	-
Total		7,930,880	2,797,850	3,501,076
EXPENDITURE ON:				
Raising funds	8	5,611,021	-	-
Charitable activities	9	2,806,569	2,798,698	3,540,877
Other resources expended	11	2,294,577	-	-
Total		10,712,167	2,798,698	3,540,877
Net Income/(expenditure) and Net movement in funds		(2,781,287)	(848)	(39,801)
RECONCILIATION OF FUNDS				
Total funds brought forward	22,23	1,194	1,194	40,995
Total funds carried forward	22,23	(2,780,093)	346	1,194

None of the charity's other activities were acquired or discontinued during the above two financial years.

During the year under review the charity established a new charitable subsidiary and absorbed a related trading company as a new trading subsidiary.

The charity and group has no recognised gains or losses other than those dealt with in the consolidated and parent charity statement of financial activities.

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

CONSOLIDATED AND PARENT CHARITY BALANCE SHEET AS AT 31 JULY 2016

		Consolidated 2016 Unrestricted Total Funds £	Parent charity 2016 Unrestricted Total Funds £	2015 Unrestricted Total Funds £
FIXED ASSETS				
Tangible fixed assets	15,16	369,448	23,991	-
Investment assets	17	73,563	2,000	2,000
Total fixed assets		443,011	25,991	2,000
CURRENT ASSETS				
Stocks	18	75,114	-	-
Debtors	19	549,741	275,091	272,020
Cash at bank and in hand		267,742	12,531	107,596
Total current assets		892,597	287,622	379,616
CURRENT LIABILITIES				
Creditors: amounts falling due within one year	20	(1,452,330)	(313,267)	(380,422)
Net current assets		(559,733)	(25,645)	(806)
Total assets less current liabilities		(116,722)	346	1,194
Net pension liability	21	(2,663,371)	-	-
Net assets		(2,780,093)	346	1,194
THE FUNDS OF THE CHARITY				
Unrestricted general funds	22,23	(2,780,093)	346	1,194
Total charity funds		(2,780,093)	346	1,194

The notes on pages 15 to 25 form part of these accounts.

Approved by the trustees and signed on their behalf.

Sophie Timbers

President and Chair of the Board of Trustees

Date

Cardiff University Students' Union

Company number: 07328777

Charity number: 1137163

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

CONSOLIDATED AND PARENT CHARITY STATEMENT OF CASH FLOWS

	Note	Consolidated	Parent charity	
		2016	2016	2015
		Unrestricted	Unrestricted	Unrestricted
		Total	Total	Total
		Funds	Funds	Funds
		£	£	£
Net cash flow from operating activities (see below)		737,379	(69,571)	96,603
Cash flow from investing activities				
Dividends, interest and rents from investments		878	-	-
Purchase of fixed assets	15,16	(506,548)	(25,494)	-
Purchase of investments		(71,563)	-	-
Net cash flow from investing activities		<u>(577,233)</u>	<u>(25,494)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		160,146	(95,065)	96,603
Cash and cash equivalents at 1 August 2015		107,596	107,596	10,993
Cash and cash equivalents at 31 July 2016		<u>267,742</u>	<u>12,531</u>	<u>107,596</u>
Cash and cash equivalents consist of:				
Cash at bank and in hand		267,742	12,531	107,596
Cash and cash equivalents at 31 July 2016		<u>267,742</u>	<u>12,531</u>	<u>107,596</u>
Reconciliation of net income to net cash flow from operating activities				
	Note	Consolidated	Parent charity	
		2016	2016	2015
		Unrestricted	Unrestricted	Unrestricted
		Total	Total	Total
		Funds	Funds	Funds
		£	£	£
Net income for the year		<u>(2,781,287)</u>	<u>(848)</u>	<u>(39,801)</u>
Adjusted for:				
Depreciation and impairment of tangible fixed assets	15,16	137,100	1,503	-
Dividends, interest and rents from investments		(878)	-	-
Decrease/(increase) in stocks	18	(75,114)	-	-
Decrease/(increase) in debtors	19	(277,721)	(3,071)	(18,694)
Increase/(decrease) in creditors due in less than one year	20	1,071,908	(67,155)	155,098
Increase/(decrease) in net pension liability	21	2,663,371	-	-
		<u>3,518,666</u>	<u>(68,723)</u>	<u>136,404</u>
		<u>737,379</u>	<u>(69,571)</u>	<u>96,603</u>

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

ACCOUNTING POLICIES

Scope and basis of the financial statements

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity adopted SORP (FRS 102) in the current year and an explanation of how transition to SORP (FRS 102) has affected the reported financial position and performance is given in note 27.

Consolidation

The results of the charity's wholly owned subsidiaries (Cardiff Union Services Limited and Cardiff Volunteering) are consolidated on a line by line basis with any intragroup balances and transactions eliminated in full.

For the year ending 31 July 2016 the subsidiary Cardiff Volunteering was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The charity and its subsidiaries have a uniform reporting date and reporting period. Where necessary, appropriate adjustments are made to the subsidiary's financial statements for differences in accounting policies as part of the consolidation process.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income generated by the charity's trading subsidiary. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on raising funds includes costs of the charity's trading subsidiary, Cardiff Union Services Limited.
- Expenditure on charitable activities includes staff and other costs of delivery the charity's objects together with support and governance costs.
- Other expenditure represents the net cost of absorbing the charity's trading subsidiary, Cardiff Union Services Limited.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 10.

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

ACCOUNTING POLICIES

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Student Union Superannuation Scheme

Cardiff University Students' Union participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The Scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to Cardiff University Students' Union. Under the terms of FRS17, in these circumstances contributions are accounted for as if the Scheme were a defined contribution scheme based on actual contributions paid through the year.

With effect from 30 September 2011 the scheme was closed to future accrual. Payments to the Students' Union Superannuation Scheme continued after the closure of the scheme in the form of deficit funding and levies.

Following the adoption of SORP 2015 FRS 102 the discounted present value of the future deficit contributions has been recognised in full.

Tax

The charity is considered to pass the tests set out in sections 466 to 493 Corporation Tax Act 2010 (CTA 2010), as such no income tax is payable on the charity's activities.

Fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold improvements	Straight line over five to ten years
Plant and machinery	Straight line over five to ten years
Computers	Straight line over three years

Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA.

Fixed asset investments comprise holdings of Welsh Rugby Union debentures and shares in NUS Services Limited. These assets are held at cost on the basis there is no readily available market value.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Provision is made for damaged, obsolete and slowmoving stock where appropriate.

Debtors receivable and creditors payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

ACCOUNTING POLICIES

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

1. Donations and legacies - Block grant

	Consolidated	Parent charity	
	2016	2016	2015
	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total
	Funds	Funds	Funds
	£	£	£
Block grant from Cardiff University	2,666,000	1,206,000	1,160,000
	<u>2,666,000</u>	<u>1,206,000</u>	<u>1,160,000</u>

2. Donations and legacies - Donations in kind

	Company	University	2015
			Total
	£	£	Funds
			£
Wages and salaries	728,524	-	728,524
Establishment	94,416	6,000	100,416
Administrative charges	55,336	-	55,336
Motor and travel	13,107	-	13,107
Union activity	17,288	-	17,288
Finance expenses	3,292	-	3,292
Professional expenses	9,101	-	9,101
	<u>921,064</u>	<u>6,000</u>	<u>927,064</u>
Unrestricted	921,064	6,000	927,064
Restricted	-	-	-
	<u>921,064</u>	<u>6,000</u>	<u>927,064</u>

The trustees have estimated the above as a reasonable percentage of the company's expenditure that the charity uses, also an estimate of the rent that is used by the charity that the University pays.

3. Other trading activities

	Consolidated	Parent charity	
	2016	2016	2015
	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total
	Funds	Funds	Funds
	£	£	£
Income from Cardiff Union Services Limited (see note 5)	3,663,405	-	-
	<u>3,663,405</u>	<u>-</u>	<u>-</u>

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

4. Subsidiary charity activities - Cardiff Volunteering

	2016 Unrestricted Total Funds £
Income and endowments from:	
Charitable activities	8,747
Total	<u>8,747</u>
Expenditure on:	
Charitable activities	7,871
Total	<u>7,871</u>
Net income/(expenditure) & total funds carried forward	<u><u>876</u></u>

At the balance sheet date Cardiff Volunteering owed £2,051 to the charity and £4,574 to Cardiff Union Services Limited, these balances have been eliminated on consolidation.

5. Other trading activities and expenditure on raising funds - Cardiff Union Services Limited

	2016 Unrestricted Total Funds £
Turnover	3,663,405
Cost of sales	(1,936,025)
Gross profit	<u>1,727,380</u>
Administrative expenses	(3,207,554)
Operating profit/(loss)	<u>(1,480,174)</u>
Grant from Cardiff University	1,460,000
Exceptional items	(306,746)
Interest receivable and similar income	878
Interest payable and similar charges	(160,696)
Net profit/(loss)	<u>(486,738)</u>
Profit and loss account at 1 August 2015	<u>(2,294,577)</u>
Profit and loss account at 31 July 2016	<u><u>(2,781,315)</u></u>
Total capital and reserves at 31 July 2016	<u><u>(2,781,315)</u></u>

At the balance sheet date Cardiff Union Services Limited owed £31,363 to the charity and was owed £4,574 by Cardiff Volunteering, these balances have been eliminated on consolidation.

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

6. Income from charitable activities

	Consolidated	Parent charity	
	2016	2016	2015
	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total
	Funds	Funds	Funds
	£	£	£
Athletic Union income	92,405	92,405	92,339
Societies income	33,367	33,367	34,061
Hire of vehicles for student use	55,817	55,817	60,269
Student development income	8,275	8,275	4,190
Give it a Go programme income	90,166	90,166	31,526
Student employment service	1,279,687	1,279,687	1,105,652
NUS Extra sales	-	-	59,827
Miscellaneous	32,133	32,133	26,148
Income from Cardiff Volunteering (see note 4)	8,747	-	-
	<u>1,600,597</u>	<u>1,591,850</u>	<u>1,414,012</u>

7. Income from charitable activities

	Consolidated	Parent charity	
	2016	2016	2015
	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total
	Funds	Funds	Funds
	£	£	£
Bank interest receivable	878	-	-
	<u>878</u>	<u>-</u>	<u>-</u>

8. Other trading activities

	Consolidated	Parent charity	
	2016	2016	2015
	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total
	Funds	Funds	Funds
	£	£	£
Expenditure from Cardiff Union Services Limited (see note 5)	5,611,021	-	-
	<u>5,611,021</u>	<u>-</u>	<u>-</u>

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

9. Expenditure on charitable activities

	Consolidated 2016 Unrestricted Total Funds £	Parent charity 2016 Unrestricted Total Funds £
Direct costs of activities	6,280	6,280
Direct costs of dealing with AU and Societies	3,007	3,007
Give it a Go costs	87,008	87,008
Transport costs	25,210	25,210
Student development costs	5,456	5,456
Events costs	24,276	24,276
Jobshop labour costs	1,182,991	1,182,991
Staff welfare	27,202	27,202
Building and equipment costs	13,575	13,575
Marketing costs	20,961	20,961
Motor and travel costs	39,720	39,720
Communications	41,724	41,724
Corporate and administrative costs	147,124	147,124
Depreciation	1,503	1,503
Membership services	349,315	349,315
Other labour costs	823,346	823,346
Expenditure from Cardiff Volunteering (see note 4)	7,871	-
	<u>2,806,569</u>	<u>2,798,698</u>

	Parent charity 2015 Unrestricted Total Funds £
Give it a Go programme costs	33,385
Student development costs	1,295
Student employment service costs	1,017,408
NUS Extra charges	30,953
Cost of student media	41,465
Wages and salaries	1,191,742
Establishment	33,666
Administrative charges	106,114
Motor and travel	164,488
Union activity	544,730
Professional expenses	6,300
Finance expenses	1,201
Support costs (see note 10)	368,130
	<u>3,540,877</u>

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

10. Support costs

	2015 Total Funds £
Wages and salaries	210,307
Establishment	95,820
Administrative charges	45,477
Motor and travel	1,661
Finance expenses	8,040
Professional expenses	6,825
	<u>368,130</u>

11. Other trading activities

	Consolidated 2016 Unrestricted Total Funds £	Parent charity 2016 Unrestricted Total Funds £	2015 Unrestricted Total Funds £
Gift of net assets from Cardiff Union Services Limited	2,294,577	-	-
	<u>2,294,577</u>	<u>-</u>	<u>-</u>

12. Wages and salary cost

	Consolidated 2016 Unrestricted Total Funds £	Parent charity 2015 Unrestricted Total Funds £
Gross wages	3,963,963	1,733,601
Employer's national insurance costs	225,277	73,334
Employer's pension costs	54,052	14,342
Termination payments*	46,887	-
Donated wages (see note 2)	-	728,524
	<u>4,290,179</u>	<u>2,549,801</u>

*Termination payments totalling £46,887 we made during the year under review. These payments arise out of a re-organisation of the group and the group's management and staff structure. No further amounts are expected to be paid at the balance sheet date.

During the year under review the charity and group's 5 (2015: 5) key management personnel received employee benefits, inclusive of employer pension contributions and termination payments, totalling £286,791 (2015: £286,184).

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

12. Wages and salary cost (continued)

The number of employees, on an average headcount basis, was:

	Consolidated 2016	Parent charity 2015
Average head count	846	302
	<u>846</u>	<u>302</u>

Higher paid staff - number of staff earning, excluding pension benefits, between:

	Consolidated 2016	Parent charity 2015
£70,000-£80,000	1	-
	<u>1</u>	<u>-</u>

13. Related party transactions

During the year under review the group's sabbatical trustees and key management personnel were reimbursed expenses and had expenses paid on their behalf totalling £12,008 (2015: £17,841).

As authorised under section 6 of the Articles of Association, a total of £143,905 (2015: £118,978) was paid in remuneration to 13 (2015: 13) sabbatical officer trustees as follows:

	2016 £
K Beggan	18,404
C Blakeway	19,228
N Ciecierski-Holmes	2,406
H Cooke	2,406
K Delaney	14,936
A Dyer	2,406
M Hanafy	2,406
E Harding	2,406
K Kelly	18,784
A Kuklenko	2,406
S Parsons	18,784
H Sterritt	18,784
S Timbers	20,549
	<u>143,905</u>

14. Net income is stated after charging

	Consolidated 2016	Parent charity	
	Unrestricted Total Funds £	Unrestricted Total Funds £	Unrestricted Total Funds £
Auditors' remuneration	12,850	-	-
Depreciation	<u>137,100</u>	<u>1,503</u>	<u>-</u>

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

15. Tangible fixed assets - group

	Leasehold improvements £	Plant and machinery £	Computers £	Total £
<i>Cost</i>				
Additions	166,730	339,458	360	506,548
Disposals	-	-	-	-
At 31 July 2016	<u>166,730</u>	<u>339,458</u>	<u>360</u>	<u>506,548</u>
<i>Depreciation</i>				
Charge for the year	43,222	93,778	100	137,100
On disposals	-	-	-	-
At 31 July 2016	<u>43,222</u>	<u>93,778</u>	<u>100</u>	<u>137,100</u>
Net book value at 31 July 2016	<u><u>123,508</u></u>	<u><u>245,680</u></u>	<u><u>260</u></u>	<u><u>369,448</u></u>

16. Tangible fixed assets - charity

	Plant and machinery £	Computers £	Total £
<i>Cost</i>			
Additions	25,134	360	25,494
Disposals	-	-	-
At 31 July 2016	<u>25,134</u>	<u>360</u>	<u>25,494</u>
<i>Depreciation</i>			
Charge for the year	1,403	100	1,503
On disposals	-	-	-
At 31 July 2016	<u>1,403</u>	<u>100</u>	<u>1,503</u>
Net book value at 31 July 2016	<u><u>23,731</u></u>	<u><u>260</u></u>	<u><u>23,991</u></u>

17. Fixed asset investments

	Consolidated 2016 Unrestricted Total Funds £	Parent charity 2016 Unrestricted Total Funds £	2015 Unrestricted Total Funds £
Welsh Rugby Union debentures	62,000	2,000	2,000
NUS Services Limited shares	11,563	-	-
	<u><u>73,563</u></u>	<u><u>2,000</u></u>	<u><u>2,000</u></u>

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

18. Stock

	Consolidated	Parent charity	
	2016	2016	2015
	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total
	Funds	Funds	Funds
	£	£	£
Goods for resale	75,114	-	-
	<u>75,114</u>	<u>-</u>	<u>-</u>

19. Debtors

	Consolidated	Parent charity	
	2016	2016	2015
	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total
	Funds	Funds	Funds
	£	£	£
Trade debtors	349,749	189,116	225,308
Prepayments and accrued income	43,505	650	46,267
Other debtors	60,384	51,911	445
VAT	96,103	-	-
Intercompany	-	33,414	-
	<u>549,741</u>	<u>275,091</u>	<u>272,020</u>

20. Creditors: amounts falling due within one year

	Consolidated	Parent charity	
	2016	2016	2015
	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total
	Funds	Funds	Funds
	£	£	£
Trade creditors	626,745	57,905	48,020
Other creditors	281,164	251,939	237,554
Intercompany	-	-	86,715
Accruals and deferred income	474,674	897	8,133
Other taxes and social security	69,747	2,526	-
	<u>1,452,330</u>	<u>313,267</u>	<u>380,422</u>

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

21. Net pension liability

	Consolidated	Parent charity	
	2016	2016	2015
	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total
	Funds	Funds	Funds
	£	£	£
Trade creditors	2,663,371	-	-
	<u>2,663,371</u>	<u>-</u>	<u>-</u>

22. Analysis of net assets between funds

	Consolidated	Parent charity	
	2016	2016	2015
	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total
	Funds	Funds	Funds
	£	£	£
Tangible fixed assets	369,448	23,991	-
Investments	73,563	2,000	2,000
Current assets	892,597	287,622	379,616
Current liabilities	(1,452,330)	(313,267)	(380,422)
Net pension liability	(2,663,371)	-	-
	<u>(2,780,093)</u>	<u>346</u>	<u>1,194</u>

23. Analysis of net movement in funds

	Total funds brought forward	Total incoming resources	Total resources expended	Transfers between funds	Total funds carried forward
	£	£	£	£	£
<i>Unrestricted funds</i>					
General funds	1,194	4,257,850	(4,258,698)	-	346
Cardiff Union Services Limited	-	3,664,283	(6,445,598)	-	(2,781,315)
Cardiff Volunteering	-	8,747	(7,871)	-	876
Total funds	<u>1,194</u>	<u>7,930,880</u>	<u>(10,712,167)</u>	<u>-</u>	<u>(2,780,093)</u>

24. Control

The charity was controlled throughout the year by its trustees.

25. Legal status

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is £1.

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

26. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	Consolidated	Parent charity	
	2016	2016	2015
	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total
	Funds	Funds	Funds
	£	£	£
<i>Financial assets</i>			
Measured at fair value through net income/(expenditure):			
Fixed asset investments	73,563	2,000	2,000
	<u>73,563</u>	<u>2,000</u>	<u>2,000</u>
Debt instruments measured at amortised cost:			
Trade debtors (note 19)	349,749	189,116	225,308
	<u>349,749</u>	<u>189,116</u>	<u>225,308</u>
<i>Financial liabilities</i>			
Measured at amortised cost:			
Trade creditors (note 20)	626,745	57,905	48,020
	<u>626,745</u>	<u>57,905</u>	<u>48,020</u>

The income, expense, net gains and net losses attributable to the charity's financial instruments are summarised as follows:

	Consolidated	Parent charity	
	2016	2016	2015
	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total
	Funds	Funds	Funds
	£	£	£
<i>Income and expense</i>			
Financial assets measured at fair value through net income/(expenditure)			
Investment income	-	-	-
Investment management fees	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net gains and losses (including changes in fair value)</i>			
Financial assets measured at fair value through net income/(expenditure)			
Unrealised gains/(losses) on investments	-	-	-
Realised gains/(losses) on investments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

Fixed asset investments comprise holdings of Welsh Rugby Union debentures and shares in NUS Services Limited. These assets are held at cost on the basis there is no readily available market value.

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

NOTES TO THE FINANCIAL STATEMENTS

27. Lease commitments

The charity and group have operating lease commitments for motor vehicles expiring as follows:

	Consolidated 2016 Unrestricted Total Funds £	Parent charity 2016 Unrestricted Total Funds £	2015 Unrestricted Total Funds £
Within one year	1,663	-	-
Within two to five years	26,801	26,801	-

27. First time adoption of SORP FRS 102 (2015)

The charity has adopted the SORP FRS 102 (2015) for the first time in the year ended 31 July 2016 and therefore the date of transition was 1 August 2014.

There is no overall effect on the net assets in the financial statements on transition from SORP (2005) to SORP FRS 102 (2015).

However, as part of the transition process management undertook a review of the income and expenditure. As a result there has been some reclassification within income and expenditure.

28. 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.

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 2016 amounted to £183,911. Commitments provided for in the accounts amounted to £2,663,371.