

Cardiff University Students' Union
Undeb Myfyrwyr Prifysgol Caerdydd

Limited by Guarantee

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

for the year ended 31st July 2017

Registered Charity Number 1137163
Registered Company Number 07328777

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

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REFERENCE AND ADMINISTRATIVE DETAILS

Trustees (and directors)

Sabbatical Trustees

President	Hollie Cooke (from 1 July 2017)
President	Sophie Timbers (to 30 June 2017)
VP Societies	Lamorna Hooker (from 1 July 2017)
VP Societies	Milly Dyer (to 30 June 2017)
VP Sports & AU President	Tom Kelly (from 1 July 2017)
VP Sports & AU President	Elin Harding (to 30 June 2017)
VP Education	Fadhila Al Dhahouri (from 1 July 2017)
VP Education	Mo Hanafy (to 30 June 2017)
VP Heath Park	Kirsty Hepburn (from 1 July 2017)
VP Heath Park	Niko Ciecierski-Holmes (to 30 June 2017)
VP Postgraduate	Jake Smith (from 1 July 2017)
VP Postgraduate	Alex Kuklenko (to 30 June 2017)
VP Welfare	Nick Fox (from 1 July 2017)
VP Welfare	Hollie Cooke (to 30 June 2017)

Student Trustees

Non-portfolio	Emma Mattin (from 1 July 2017)
Non-portfolio	Lilly Ryan Harper (from 13 September 2016)
Non-portfolio	Alex Williams
Non-portfolio	Sarah Hopkins-Weaver (to 30 June 2017)
Non-portfolio	Matthew Williams (to 12 September 2016)

University Nominated Trustees

Non-portfolio	Gethin Lewis
Non-portfolio	Mark Leighfield

External Trustees

Non-portfolio	Richard Roberts CBE
Non-portfolio	Rakesh Aggarwal
Non-portfolio	Bethan Walsh

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 Priors
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

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TRUSTEES' REPORT

The Trustees of Cardiff University Students' Union (the Union) 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 2017. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102) 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.

The Union has two subsidiary companies controlled by the Union by virtue of sole membership: 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 Council of Cardiff University (its governing body).

The Union has fifteen constituted trustee roles split into four groups:

- Seven Sabbatical Trustees, elected in accordance with the Union's Memorandum and Articles of Association and its Bye-Laws;
- 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 six sub committees to ensure effective oversight of operations and where appropriate invite experts to attend and advise these sub committees:

Finance & Audit Committee

Heath, Environment, Maintenance and Safety Committee

Human Resources Committee

Satisfaction, Engagement & Participation Committee

Appointments & Remuneration Committee

Chief Executive's Appraisal Group

All new trustees are provided induction training and given an introduction to the activities of the Union by the existing Board, the Head of Governance 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 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 of Trustees. To ensure effective management the Chief Executive leads a Strategic Management Team (SMT), with responsibility for operational management of the Union's activities, services and representation support. In addition, The Chief Executive annually appoints non-senior staff to the SMT as associates to support the SMT's work and to aid professional development. During 2016/17 the SMT comprised of the following members:

Permanent members

Chief Executive

Deputy Chief Executive

Director of Engagement & Participation

Director of Commercial Services

Daniel Palmer

Ben Eagle

Steve Wilford

Mark Cheeseman (until 31 May 2017)

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Associate members

Head of Finance
Head of Student Voice

Christine Akers
Steve Ralph

The Union's staff – excluding the Sabbatical Trustees - are employees of CUSL who are contracted to work across the Union's group of companies. The Sabbatical Trustees are employees of Cardiff University Students' Union directly, as prescribed within the Memorandum and Articles of Association. The Group employs approximately 105 permanent staff and a further 300 occasional staff 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 by 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 is set by the Appointments and Remuneration Committee with benchmarks and parameters agreed in comparison to other large educational charities and leading students' unions.

RELATIONSHIP WITH RELATED PARTIES

The relationship between Cardiff 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 on an annual basis. The Union also leases buildings and occupies spaces controlled 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.

The Union's two subsidiary companies have independent Boards of Directors, as prescribed within their respective articles of association, with appointments ratified by the Union. CUSL trades for the purpose of providing services to Cardiff University students and generates commercial income to support the Union's charitable objectives. CV receives a grant from the Union in furtherance of the Union's objectives which is agreed on an annual basis.

The Union is affiliated to the National Union of Students (NUS) and British Universities and Colleges Sport (BUCS) and paid affiliation fees of £35,093 and £17,083 respectively in 2016/17. Both affiliations were ratified by the Student Members' Annual Members Meeting on 24th November 2016. The Union participates in the NUS Services purchasing consortium and receives trading support and other benefits including income from NUS Extra card sales. In 2016/17 the Union's net income from NUS Extra card sales was £33,302.

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.

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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. During 2016/17, participation in Union activities rose to an all-time high of 22,101 (2015/16: 20,484) students engaging in 19 participation areas. The Union has achieved record highs in four of the last five years. Student satisfaction remained between 87% and 89% across the Union's internal and external survey results and the Union was named as one of the top four UK students' unions in the Which? University guide. A comprehensive and numerical breakdown of the Union's activities 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 annual objectives, articulated in a balanced scorecard and pursued by Trustees and Union staff. In 2017/18 the Trustees intend on developing and launching a new strategic plan to run until at least 2021. A copy of the Union's current strategic plan can be seen at: www.cardiffstudents.com/about-cusu/plans.

The Union provides 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 2016/17 the Union allocated grants to these groups totalling £66,291 (31 July 2016: £101,603).

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 volunteer hours contributed or their staff equivalency.

ACHIEVEMENTS AND PERFORMANCE

The Union's significant activities, achievements and performance is articulated through its progress against its top-20 balanced scorecard objectives. In 2016/17, 10 of the 20 targets were achieved, with two partially achieved and eight not achieved / deferred until 2017/18. Statements of performance against these targets and an assessment of staff time and financial resources used 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). The Trustees take due regard of the positive and negative factors internal and external to 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 13 of the financial statements. The Charity's total income amounted to £3,050,084 with total expenditure of £2,944,444. Overall this resulted in a net year end surplus of £105,640 in the Charity.

At 31 July 2017 the Union's free reserves (i.e. unrestricted funds not represented by fixed assets) amounted to £75,195 (31 July 2016: £-23,645) and the Trustees are satisfied that the Union has a sound financial base from which to pursue its objectives and activities.

The Union's trading subsidiary, CUSL, continued to grow its income in 2017 with turnover of £3,975,803 (31 July 2016: £3,663,405). Overall the trading company made an operating deficit of £123,574 (31 July 2016: £-884,600), after charging depreciation of £685,467 (31 July 2016: £693,277), with £601,960 arising from the depreciation of the Union building. During the year the company's pension liability was reappraised and at the Year End increased to £4,427,963 (31 July 2016: £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 up to 2033.

During the year the subsidiary company wrote off irrecoverable VAT amounting to £103,411 due to a valuation disagreement between the Union and HMRC. Future negative one-off adjustments are not expected in future. The directors expect that

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the company will generate an operating profit and cash surplus in 2017/18, before depreciation charges relating to the Union building are considered.

The Trustees annually review the principal risks for the charity and the operational risks linked to the objectives set by the strategic management team. Within the 21 identified risk areas, eight have at least one risk rated as red and require explicit oversight and mitigation. Red risks and their management plans are listed below:

Category	Risk type	Systems, controls and mitigating factors
Financial	The Union fails to meet its financial targets for budgeted surpluses in order to reach a minimum of 6 weeks running costs in unrestricted reserves	Detailed budgeting and comprehensive management reporting via the Board of Trustees and the Finance & Audit Committee. Annual and three-year forecasting in place. Operation 200 launched in January 2016 with savings being planned up to July 2018. Management actions taken to reach the Operation 200 targets mid-year.
Financial	Pension structures deliver unmanageable increases in cost to the Union	The Union's pension costs through SUSS have doubled in recent years due to the deficit within the scheme. Further increases are very likely and may outstrip the Union's ability to fund them without assistance from the University. The SUSS scheme is closed to future accrual and the Union now offers a stakeholder pension scheme.
Financial	The Union's VAT planning is challenged by HMRC and results in the Union not being able to reclaim budgeted VAT exception on capital projects	Active management of the Union's VAT arrangements have been in place for the past 4 years and have yielded many positive results. In 2015 the Union was unsuccessful in claiming additional VAT recovery and is currently settling its 'non-business' apportionment with HMRC. Although we are pushing for the best possible outcome, the worst-case scenario could include re-evaluation of completed returns.
Reputation & Relationships	NUS' position on issues threatens the Union's reputation	The Union engages with NUS through its Sabbatical Trustees and staff, by attending events, representing the Union's views and providing motions and voting at NUS policy formulation fora. The Union reserves the right to disagree with NUS positions and to actively inform students and other stakeholders about such disagreements.
Reputation & Relationships	The Union organises activities that are illicit or significantly anti-social	The Union operates many events and entertainment activities that involve social activities and the consumption of alcohol. To mitigate these risks all in-house entertainment is supported by dedicated staff and managed by appropriate risk assessments.
Reputation & Relationships	Student groups under the control of the Union organise or undertake activities that are illegal, illicit or significantly anti-social	Student groups must adhere to the AU / Societies handbook, including the relevant codes of conduct for groups, but in recent years a number of high profile issues have arisen and are often reported in the student press. A process for dealing with poor behaviour by student groups was established with the University in 2015. In addition, clubs, societies and individuals can be subject to the Union's disciplinary rules as appropriate.
Management	Critical illness or other absence / departure of key staff causes organisational problems	Detailed job descriptions, detailed department and individual plans, and ongoing supervisory programmes mean that the content and status of any individual role can be assessed should an emergency occur. No formal succession plan or emergency action planning system is in place for such an incident. The lack of senior staff means that multiple absences are hard to mitigate.
Staff matters	Staff are placed in situations of danger without appropriate training and support to address these issues (e.g. Venues, Finance staff, Advice Centre)	Levels of security and training for affected staff are high and individual departmental risk assessments are undertaken; lone working is avoided where possible.
Health & Safety	Activities of voluntary groups / clubs & societies cause potential food hygiene incidents within the Union	Voluntary group sales are monitored by the Union to ensure basic food hygiene requirements have been adhered to.

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	(e.g. cake stalls, Green Action food sales, sales of traditional foods)	
Major incidents & disasters	A major disruption to operations e.g. fire, IT breakdown, power loss etc gives rise to a critical interruption to services and a loss of business operations - without an effective 'disaster recovery plan' to implement	IT systems are protected through hosting on secure University network. Business interruption insurance is in place to minimise financial impacts of such events. An overall 'disaster plan' document is not in place.
Volunteers	Union drivers (who are volunteers) cause / are involved in serious or fatal road traffic accidents	The Union has a comprehensive driver policy, ensuring that drivers have appropriate licences without convictions etc, with mandatory training for minibus drivers (MIDAS) - this is extended to people carriers & car hire.
Volunteers	Student volunteers undertake activities that have not been subject to a formal risk assessment, or which have not been authorised by the Union.	Bodies undertaking activities and managerial staff supervising those areas are trained in risk assessment and are required to use this in assessing the suitability of undertaking the activity. The wide range of activities does give rise to the likelihood of omission.
Student Activities	The Union's members are involved in accidents / fatalities involving themselves or third parties	The Union has a comprehensive training programme for coaches, together with a detailed incident and accident reporting process. However, as Union staff cannot supervise student group activities at all times, appropriate support and training is provided that relate to the particular activities in which they are engaged.

Reserves Policy

The Trustees annually review the Union's reserves position and set targets for reserves levels in accordance with its future needs should funding not be available from the principle funding source. The Union's reserves policy is to achieve surpluses of £280,000 from its consolidated activities annually to build unrestricted reserves to £1.3M by 2023.

The Charity's total funds in reserve is £75,195 (31 July 2016: £-23,645) and £-47,758 (31 July 2016: £-486,170) when consolidated. The Union's doesn't hold any restricted reserves within the Charity or consolidated.

Principal Funding Sources

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

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. The Union intends to launch a new strategy during 2017/18 to run until at least 2021.

DISABLED EMPLOYEES

It is the Union's normal practice to offer an interview to any disabled job applicant who meets the majority of the role's essential criteria. Reasonable adjustments are made to the interview process in accordance with the candidate's needs.

Continuing employment and training of persons who become disabled

The Union ensures that all reasonable adjustments are discussed and made for employees who are, or may have become disabled. This includes arranging additional work place equipment, varying working hours and specific administration support.

Disabled employees who apply for more senior positions within the Union are afforded the same reasonable adjustments offered to disabled external candidates. If appointed, disabled employees are consulted regarding reasonable adjustments

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and accommodations made to help them succeed in their roles. Disabled staff, like all staff within the organisation, are encouraged to have personal development plans and are supported to achieve them.

DIRECTOR INDEMNITY PROVISION

Throughout the year under review the charitable group had a director indemnity provision in place.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also directors of the 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 Union 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 Union 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 Union'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 Union's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

The trustees' report incorporating the directors and strategic report has been approved and signed on behalf of the trustees.

Hollie Cooke
President and Chair of the Board of Trustees

Date

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of Cardiff University Students' Union (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2017 which comprise the Consolidated and Parent Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheet, the Consolidated and Parent Charity Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 July 2017, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable 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 trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

Opinions 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 trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Responsibilities of trustees

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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable 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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's 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

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

		Consolidated		Parent charity	
		(restated)			
		2017	2016	2017	2016
		Unrestricted	Unrestricted	Unrestricted	Unrestricted
		Total	Total	Total	Total
		Funds	Funds	Funds	Funds
Note		£	£	£	£
INCOME AND ENDOWMENTS FROM:					
Donations and legacies - Block grant	1	2,806,000	2,666,000	1,206,000	1,206,000
Donations and legacies - Gift of net assets	2	-	11,527,476	-	-
Other trading income	3	3,975,803	3,663,405	-	-
Charitable activities	6	1,856,250	1,600,598	1,844,084	1,591,850
Investments	7	418	878	-	-
Total		8,638,471	19,458,357	3,050,084	2,797,850
EXPENDITURE ON:					
Raising funds	8	7,657,085	6,168,701	-	-
Charitable activities	9	2,946,176	2,806,570	2,944,444	2,798,698
Total		10,603,261	8,975,271	2,944,444	2,798,698
Net Income/(expenditure) and Net movement in funds		(1,964,790)	10,483,086	105,640	(848)
RECONCILIATION OF FUNDS					
Total funds brought forward	20,21	10,484,280	1,194	346	1,194
Total funds carried forward	20,21	8,519,490	10,484,280	105,986	346

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

During the comparative year 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 2017

CONSOLIDATED AND PARENT CHARITY BALANCE SHEET AS AT 31 JULY 2017

		Consolidated (restated)		Parent charity	
		2017	2016	2017	2016
		Unrestricted	Unrestricted	Unrestricted	Unrestricted
		Total	Total	Total	Total
		Funds	Funds	Funds	Funds
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets	13,14	12,995,211	13,633,821	30,791	23,991
Investment assets	15	73,563	73,563	2,000	2,000
Total fixed assets		<u>13,068,774</u>	<u>13,707,384</u>	<u>32,791</u>	<u>25,991</u>
CURRENT ASSETS					
Stocks	16	41,387	75,114	-	-
Debtors	17	431,918	549,741	351,474	275,091
Cash at bank and in hand		469,186	267,742	160,802	12,531
Total current assets		<u>942,491</u>	<u>892,597</u>	<u>512,276</u>	<u>287,622</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	18	(1,063,812)	(1,452,330)	(439,081)	(313,267)
Net current assets		<u>(121,321)</u>	<u>(559,733)</u>	<u>73,195</u>	<u>(25,645)</u>
Total assets less current liabilities		12,947,453	13,147,651	105,986	346
Net pension liability	19	(4,427,963)	(2,663,371)	-	-
Net assets		<u>8,519,490</u>	<u>10,484,280</u>	<u>105,986</u>	<u>346</u>
THE FUNDS OF THE CHARITY					
Unrestricted general funds	20,21	8,519,490	10,484,280	105,986	346
Total charity funds		<u>8,519,490</u>	<u>10,484,280</u>	<u>105,986</u>	<u>346</u>

The notes on pages 16 to 28 form part of these accounts.

Approved by the trustees and signed on their behalf.

Hollie Cooke

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 2017

CONSOLIDATED AND PARENT CHARITY STATEMENT OF CASH FLOWS

	Note	Consolidated (restated)		Parent charity	
		2017 Unrestricted Total Funds £	2016 Unrestricted Total Funds £	2017 Unrestricted Total Funds £	2016 Unrestricted Total Funds £
Net cash flow from operating activities (see below)		253,815	14,559,432	161,003	(69,571)
Cash flow from investing activities					
Dividends, interest and rents from investments	5	418	878	-	-
Purchase of fixed assets	15,16	(52,789)	(14,328,602)	(12,732)	(25,494)
Purchase of investments		-	(71,563)	-	-
Net cash flow from investing activities		<u>(52,371)</u>	<u>(14,399,287)</u>	<u>(12,732)</u>	<u>(25,494)</u>
Net increase/(decrease) in cash and cash equivalents		201,444	160,145	148,271	(95,065)
Cash and cash equivalents at 1 August 2016		267,742	107,597	12,531	107,596
Cash and cash equivalents at 31 July 2017		<u><u>469,186</u></u>	<u><u>267,742</u></u>	<u><u>160,802</u></u>	<u><u>12,531</u></u>
Cash and cash equivalents consist of:					
Cash at bank and in hand		469,186	267,742	160,802	12,531
Cash and cash equivalents at 31 July 2017		<u><u>469,186</u></u>	<u><u>267,742</u></u>	<u><u>160,802</u></u>	<u><u>12,531</u></u>
Reconciliation of net income to net cash flow from operating activities					
	Note	Consolidated (restated)		Parent charity	
		2017 Unrestricted Total Funds £	2016 Unrestricted Total Funds £	2017 Unrestricted Total Funds £	2016 Unrestricted Total Funds £
Net income for the year		<u>(1,964,790)</u>	<u>10,483,086</u>	<u>105,640</u>	<u>(848)</u>
Adjusted for:					
Depreciation and impairment of tangible fixed assets	15,16	691,399	694,780	5,932	1,503
Dividends, interest and rents from investments	5	(418)	(878)	-	-
Decrease/(increase) in stocks	18	33,727	(75,114)	-	-
Decrease/(increase) in debtors	19	117,823	(277,721)	(76,383)	(3,071)
Increase/(decrease) in creditors due in less than one year	20	(388,518)	1,071,908	125,814	(67,155)
Increase/(decrease) in net pension liability	21	1,764,592	2,663,371	-	-
		<u>2,218,605</u>	<u>4,076,346</u>	<u>55,363</u>	<u>(68,723)</u>
		<u><u>253,815</u></u>	<u><u>14,559,432</u></u>	<u><u>161,003</u></u>	<u><u>(69,571)</u></u>

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

ACCOUNTING POLICIES

General information, scope and basis of the financial statements

Cardiff University Students' Union is an incorporated charity, limited by guarantee, incorporated in England with the company number 07328777. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information page of these financial statements. The nature of the charity's operations and principal activities are outlined in the trustees' report.

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.

Consolidation

Cardiff University Students' Union has two wholly owned subsidiaries as follows:

- Cardiff Union Services Limited (incorporated in England and Wales with company number 02287517); and
- Cardiff Volunteering (incorporated in England and Wales with company number 09712403)

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 2017 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.

The charity and its subsidiaries have the same registered office as recorded in the charity information page, with both subsidiaries being companies limited by guarantee the Cardiff University Students' Union having dominant influence over those subsidiaries.

Restatement

During the year under review the charity's subsidiary, Cardiff Union Services Limited, transitioned to FRS 102. As part of the transition a long leasehold building was recognised in the accounts resulting in a transition adjustment in those accounts and a prior year adjustment in these consolidated financial statements. More information on the restatement is provided in note 26.

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.

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

ACCOUNTING POLICIES

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.

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

The charity's subsidiary, Cardiff Union Services Limited 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 pension scheme 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 University of Portsmouth Students' Union. Under the terms of FRS 102, the discounted present value of future cash flows under a deficit funding arrangement is included as a liability in these accounts and the change in that valuation from year to year is taken to the statement of financial activities.

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.

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 land and buildings	Straight line over the remaining lease term
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

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

ACCOUNTING POLICIES

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. Stock is calculated on a first in first out basis. 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.

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 2017

NOTES TO THE FINANCIAL STATEMENTS

1. Donations and legacies - Block grant

	Consolidated		Parent charity	
	2017	2016	2017	2016
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Block grant from Cardiff University	2,806,000	2,666,000	1,206,000	1,206,000
	<u>2,806,000</u>	<u>2,666,000</u>	<u>1,206,000</u>	<u>1,206,000</u>

2. Donations and legacies - Gift of net assets

	Consolidated		Parent charity	
	2017	2016	2017	2016
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Gift of net assets from Cardiff Union Services Limited	-	11,527,476	-	-
	<u>-</u>	<u>11,527,476</u>	<u>-</u>	<u>-</u>

3. Other trading activities

	Consolidated		Parent charity	
	2017	2016	2017	2016
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Bars and food	2,544,502	2,229,722	-	-
Entertainment and venue	559,871	710,741	-	-
Retail	203,016	225,289	-	-
NUS Extra sales	78,560	81,555	-	-
Advertising and marketing	129,569	67,219	-	-
Letting agency	302,146	277,605	-	-
Rental income	158,139	71,274	-	-
	<u>3,975,803</u>	<u>3,663,405</u>	<u>-</u>	<u>-</u>

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

NOTES TO THE FINANCIAL STATEMENTS

4. Subsidiary charity activities - Cardiff Volunteering

	2017	2016
	Unrestricted	Unrestricted
	Total	Total
	Funds	Funds
	£	£
Income and endowments from:		
Donations and legacies	17,402	5,931
Charitable activities	917	795
Other trading activities - fundraising	6,591	2,021
Investments	6	1
Total	<u>24,916</u>	<u>8,748</u>
Expenditure on:		
Raising funds	1,904	1,004
Charitable activities	12,578	6,868
Total	<u>14,482</u>	<u>7,872</u>
Net income/(expenditure)	10,434	876
Total funds brought forward	876	-
Total funds carried forward	<u>11,310</u>	<u>876</u>

During the year under review Cardiff University Students' Union made a donation to Cardiff Volunteering in support of its activities of £12,750. At the balance sheet date Cardiff Volunteering was owed £10,122 by (2016: owed £2,051 to) the charity and owed £9,754 (2016: £4,574) Cardiff Union Services Limited. The donation and year end balances have been eliminated on consolidation.

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

	2017	(restated) 2016
	Unrestricted	Unrestricted
	Total	Total
	Funds	Funds
	£	£
Turnover	3,975,803	3,663,405
Cost of sales	<u>(1,931,677)</u>	<u>(1,936,025)</u>
Gross profit	2,044,126	1,727,380
Administrative expenses	<u>(3,767,700)</u>	<u>(4,071,980)</u>
Operating profit/(loss)	(1,723,574)	(2,344,600)
Grant from Cardiff University	1,600,000	1,460,000
Interest receivable and similar income	418	878
Interest payable and similar charges	<u>(1,957,708)</u>	<u>(160,696)</u>
Net profit/(loss)	(2,080,864)	(1,044,418)
Profit and loss account at 1 August 2016	10,483,058	11,527,476
Profit and loss account at 31 July 2017	<u>8,402,194</u>	<u>10,483,058</u>
Total capital and reserves at 31 July 2017	<u>8,402,194</u>	<u>10,483,058</u>

At the balance sheet date Cardiff Union Services Limited owed £1,783,502 (2016: £31,363) to the charity and was owed £9,754 (2016: £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 2017

NOTES TO THE FINANCIAL STATEMENTS

6. Income from charitable activities

	Consolidated		Parent charity	
	2017	2016	2017	2016
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Athletic Union income	88,121	92,405	88,121	92,405
Societies income	34,757	33,367	34,757	33,367
Hire of vehicles for student use	59,114	55,817	59,114	55,817
Student development income	6,410	8,275	6,410	8,275
Give it a Go programme income	70,015	90,166	70,015	90,166
Jobshop	1,527,880	1,279,687	1,527,880	1,279,687
Miscellaneous	57,787	32,133	57,787	32,133
Income from Cardiff Volunteering (see note 4)	12,166	8,748	-	-
	<u>1,856,250</u>	<u>1,600,598</u>	<u>1,844,084</u>	<u>1,591,850</u>

7. Income from investments

	Consolidated		Parent charity	
	2017	2016	2017	2016
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Bank interest receivable	418	878	-	-
	<u>418</u>	<u>878</u>	<u>-</u>	<u>-</u>

8. Other trading activities

	Consolidated		Parent charity	
	2017	2016	2017	2016
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Expenditure from Cardiff Union Services Limited (see note 5)	7,657,085	6,168,701	-	-
	<u>7,657,085</u>	<u>6,168,701</u>	<u>-</u>	<u>-</u>

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

NOTES TO THE FINANCIAL STATEMENTS

9. Expenditure on charitable activities

	Consolidated		Parent charity	
	2017	2016	2017	2016
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Direct costs of activities	6,349	6,280	6,349	6,280
Direct costs of dealing with AU and Societies	2,291	3,007	2,291	3,007
Give it a Go costs	50,429	87,008	50,429	87,008
Transport costs	31,378	25,210	31,378	25,210
Student development costs	7,970	5,456	7,970	5,456
Events costs	22,186	24,276	22,186	24,276
Jobshop costs	1,397,937	1,182,991	1,397,937	1,182,991
Staff welfare	14,942	27,202	14,942	27,202
Building and equipment costs	9,761	13,575	9,761	13,575
Marketing costs	17,983	20,961	17,983	20,961
Motor and travel costs	31,116	39,720	31,116	39,720
Communications	36,394	41,724	36,394	41,724
Corporate and administrative costs	143,346	147,124	143,346	147,124
Depreciation	5,932	1,503	5,932	1,503
Student activities	314,772	349,315	327,522	349,315
Staff salary costs	838,908	823,346	838,908	823,346
Expenditure from Cardiff Volunteering (see note 4)	14,482	7,872	-	-
	<u>2,946,176</u>	<u>2,806,570</u>	<u>2,944,444</u>	<u>2,798,698</u>

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

NOTES TO THE FINANCIAL STATEMENTS

10. Wages and salary cost - Consolidated

	2017 Unrestricted Total Funds £	2016 Unrestricted Total Funds £
Gross wages	3,798,962	3,963,963
Employer's national insurance costs	238,414	225,277
Employer's pension costs	58,144	54,052
Termination payments*	107,510	46,887
	<u>4,203,030</u>	<u>4,290,179</u>

*Termination payments totalling £107,510 (2016: £46,887) were 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 6 (2016: 5) key management personnel received employee benefits, inclusive of employer pension contributions and termination payments, totalling £357,795 (2016: £286,791).

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

	2017	2016
Cardiff University Students' Union - Sabbatical officers	7	7
Cardiff University Students' Union - Jobshop	601	515
Cardiff University Students' Union - Administrative	43	43
Cardiff Union Services Limited - Cost of sales	165	174
Cardiff Union Services Limited - Administrative	70	75
	<u>886</u>	<u>814</u>

Higher paid staff - the number of staff earning above £60,000, excluding pension benefits, are as follows:

	2017	2016
£70,000-£80,000	1	1
£90,000-£100,000 ¹	1	-
	<u>1</u>	<u>-</u>

¹ The disclosure of higher paid staff includes salary and exceptional benefits to one former employee, without which no disclosure would be required.

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

NOTES TO THE FINANCIAL STATEMENTS

11. 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 £11,919 (2016: £14,151).

As authorised under section 6 of the Articles of Association, a total of £150,090 (2016: £143,905) was paid in remuneration to 13 (2016: 13) sabbatical officer trustees as follows:

	2017 £
F Al Dhahouri	2,509
N Ciecierski-Holmes	18,972
H Cooke	20,756
A Dyer	18,972
N Fox	2,509
M Hanafy	18,972
E Harding	18,972
K Hepburn	2,509
L Hooker	2,509
T Kelly	2,509
A Kuklenko	18,972
J Smith	2,509
S Timbers	19,420
	<u>150,090</u>

12. Auditors' remuneration

	Consolidated		Parent charity	
	2017	2016	2017	2016
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Auditors' remuneration - audit	12,850	12,850	-	-
Auditors' remuneration - tax return submission	525	450	-	-
Auditors' remuneration - Other review services	-	2,000	-	-
Auditors' remuneration - Cardiff Volunteering accounts preparation	550	550	-	-

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

NOTES TO THE FINANCIAL STATEMENTS

13. Tangible fixed assets - group

	(restated) Leasehold land and buildings £	Leasehold improvements £	Plant and machinery £	Computers £	Total £
Cost					
At 1 August 2016	13,988,783	-	339,458	360	14,328,601
Additions	11,217	2,787	38,785	-	52,789
Disposals	-	-	-	-	-
At 31 July 2017	<u>14,000,000</u>	<u>2,787</u>	<u>378,243</u>	<u>360</u>	<u>14,381,390</u>
Depreciation					
At 1 August 2016	600,902	-	93,778	100	694,780
Charge for the year	601,960	-	89,319	120	691,399
On disposals	-	-	-	-	-
At 31 July 2017	<u>1,202,862</u>	<u>-</u>	<u>183,097</u>	<u>220</u>	<u>1,386,179</u>
Net book value at 31 July 2017	<u>12,797,138</u>	<u>2,787</u>	<u>195,146</u>	<u>140</u>	<u>12,995,211</u>
Net book value at 31 July 2016	<u>13,387,881</u>	<u>-</u>	<u>245,680</u>	<u>260</u>	<u>13,633,821</u>

14. Tangible fixed assets - charity

	Plant and machinery £	Computers £	Total £
Cost			
At 1 August 2016	25,134	360	25,494
Additions	12,732	-	12,732
Disposals	-	-	-
At 31 July 2017	<u>37,866</u>	<u>360</u>	<u>38,226</u>
Depreciation			
At 1 August 2016	1,403	100	1,503
Charge for the year	5,812	120	5,932
On disposals	-	-	-
At 31 July 2017	<u>7,215</u>	<u>220</u>	<u>7,435</u>
Net book value at 31 July 2017	<u>30,651</u>	<u>140</u>	<u>30,791</u>
Net book value at 31 July 2016	<u>23,731</u>	<u>260</u>	<u>23,991</u>

CARDIFF UNIVERSITY STUDENTS' UNION

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

NOTES TO THE FINANCIAL STATEMENTS

15. Fixed asset investments

	Consolidated		Parent charity	
	2017	2016	2017	2016
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Welsh Rugby Union debentures	62,000	62,000	2,000	2,000
NUS Credit guarantee deposit	11,563	11,563	-	-
	<u>73,563</u>	<u>73,563</u>	<u>2,000</u>	<u>2,000</u>

16. Stock

	Consolidated		Parent charity	
	2017	2016	2017	2016
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Goods for resale	41,387	75,114	-	-
	<u>41,387</u>	<u>75,114</u>	<u>-</u>	<u>-</u>

17. Debtors

	Consolidated		Parent charity	
	2017	2016	2017	2016
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Trade debtors	331,138	349,749	195,751	189,116
Prepayments and accrued income	53,494	43,505	6,973	650
Other debtors	47,286	60,384	43,160	51,911
VAT	-	96,103	-	-
Intercompany	-	-	105,590	33,414
	<u>431,918</u>	<u>549,741</u>	<u>351,474</u>	<u>275,091</u>

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NOTES TO THE FINANCIAL STATEMENTS

18. Creditors: amounts falling due within one year

	Consolidated		Parent charity	
	2017	2016	2017	2016
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Trade creditors	143,034	626,745	16,352	57,905
Other creditors	346,654	281,164	258,734	251,939
Intercompany	-	-	10,122	-
Accruals and deferred income	369,341	474,674	51,449	897
Loan from Cardiff University	100,000	-	100,000	-
Other taxes and social security	104,783	69,747	2,424	2,526
	<u>1,063,812</u>	<u>1,452,330</u>	<u>439,081</u>	<u>313,267</u>

19. Net pension liability

	Consolidated		Parent charity	
	2017	2016	2017	2016
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Balance brought forward	2,663,371	2,686,590	-	-
Scheduled payments made	(193,116)	(183,911)	-	-
Addition for extended period, change in rate and unwinding of discount	1,957,708	160,692	-	-
	<u>4,427,963</u>	<u>2,663,371</u>	<u>-</u>	<u>-</u>

The deficit at 31 July 2017 is calculated on the present value of future cash flows with monthly contributions of £16,287, rising by 20% at October 2017 with further increases of 5% annually thereafter. Additional information on the pension deficit is provided in note 25.

20. Analysis of net assets between funds

	Consolidated		Parent charity	
	(restated)			
	2017	2016	2017	2016
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Tangible fixed assets	12,995,211	13,633,821	30,791	23,991
Investments	73,563	73,563	2,000	2,000
Current assets	942,491	892,597	512,276	287,622
Current liabilities	(1,063,812)	(1,452,330)	(439,081)	(313,267)
Net pension liability	(4,427,963)	(2,663,371)	-	-
	<u>8,519,490</u>	<u>10,484,280</u>	<u>105,986</u>	<u>346</u>

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21. Analysis of net movement in funds

	(restated) Total funds brought forward £	Total incoming resources £	Total resources expended £	Transfers between funds £	Total funds carried forward £
<i>Unrestricted funds</i>					
General funds	346	3,050,084	(2,944,444)	-	105,986
Cardiff Union Services Limited	10,483,058	5,576,221	(7,657,085)	-	8,402,194
Cardiff Volunteering	876	24,916	(14,482)	-	11,310
Total funds	<u>10,484,280</u>	<u>8,651,221</u>	<u>(10,616,011)</u>	<u>-</u>	<u>8,519,490</u>

22. Control

The charity was controlled throughout the year by its trustees.

23. Lease commitments

	Consolidated		Parent charity	
	2017	2016	2017	2016
The charity and group have operating lease commitments as follows:	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Not later than one year	54,500	49,821	46,692	46,966
Later than one year not later than five years	148,955	88,813	123,958	79,535
Later than five years	1,544	-	1,544	-
	<u>204,999</u>	<u>138,634</u>	<u>172,194</u>	<u>126,501</u>

During the year under review total lease payments amounted to £46,966 in the charity and £51,059 in the group.

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24. Financial instruments

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

	Consolidated		Parent charity	
	2017	2016	2017	2016
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
<i>Financial assets</i>				
Measured at fair value through net income/(expenditure):				
Fixed asset investments	73,563	73,563	2,000	2,000
	<u>73,563</u>	<u>73,563</u>	<u>2,000</u>	<u>2,000</u>
Debt instruments measured at amortised cost:				
Trade debtors (note 19)	331,138	349,749	195,751	189,116
Other debtors (note 19)	47,286	60,384	43,160	51,911
	<u>378,424</u>	<u>410,133</u>	<u>238,911</u>	<u>241,027</u>

Financial liabilities

Measured at amortised cost:				
Trade creditors (note 20)	143,034	626,745	16,352	57,905
Other creditors (note 20)	346,654	281,164	258,734	251,939
	<u>489,688</u>	<u>907,909</u>	<u>275,086</u>	<u>309,844</u>

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

	Consolidated		Parent charity	
	2017	2016	2017	2016
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Total	Total	Total	Total
	Funds	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>	<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>	<u>-</u>

Fixed asset investments comprise holdings of Welsh Rugby Union debentures and an NUS Credit guarantee deposit. These assets are held at cost on the basis there is no readily available market value.

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25. 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 United Kingdom. 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 Triannual Valuation of the Scheme was carried out as at 30 June 2016 and showed that the market value of the Scheme's assets was £101,131,000 (2013: £80,910,023) excluding AVC's and insured pensioners with these assets representing 46% (2013: 52%) of the value of benefits that have accrued to members. The deficit on an ongoing funding basis amounted to £119,700,000, (2013: £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 assumptions used in the valuation are as follows:

Pre- retirement discount rate	4.3% pa
Post retirement discount rate	2.3%pa
RPI	3.2% pa
CPI	2.2% pa
Pension increases in payment	
Post 1997 (RPI min 3% mac 5%)	3.6% pa
Post 2000 (RPI max 5%)	3.1% pa
Mortality projections	CMI 2015 projections with a long term rate of improvement of 1.5% pa

The 2016 Valuation funding shortfall recovery plan requires a monthly contribution requirement by each Participating Employer to up to 30 June 2033 increasing by 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 apply with effect from 1 October 2017 and will be formally reviewed following completion of the next Valuation due with an effective date of 30 June 2019. Surpluses or deficits which arise at future valuations will also impact on Cardiff Union Services Limited's future contribution commitment. In addition to the above contributions, the Union 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 past service employees for the year ended 31 July 2017 amounted to £193,116.

At the balance sheet date the subsidiary company had commitments to pay deficit funding contributions of £16,287 per month, increasing by 20% at October 2017. This monthly payment is scheduled to increase by 5% per annum at October each year until 30 June 2033.

Defined Contribution Pension Scheme

The group operates a defined contribution pension scheme. The total contributions paid into the scheme by the Union in respect of eligible employees for the year under review was £58,144 (2016: £54,052).

CARDIFF UNIVERSITY STUDENTS' UNION

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26. Prior year adjustment

During the year under review the charity's subsidiary, Cardiff Union Services Limited, transitioned to FRS 102. As part of the transition a long leasehold building was recognised in the accounts resulting in a transition adjustment in those accounts and a prior year adjustment in these consolidated financial statements. There is no impact on the parent charity's comparative figures.

Cardiff Union Services Limited became a subsidiary of the charity in the comparative financial year. As such the impact of the transition adjustments within the financial statements of Cardiff Union services Limited impact on the net income of the consolidated accounts for the year ended 31 July 2016 and the opening reserves of the year ended 31 July 2017.

There effect on the consolidated financial statements of transition is shown below:

Opening reserves reconciliation

	Consolidated	
	2017	2016
	Unrestricted	Unrestricted
	Total	Total
	Funds	Funds
	£	£
Opening reserves as previously stated	(2,780,093)	1,194
Transition adjustment - Gift of net assets of CUSL as previously stated expense	2,294,577	-
Transition adjustment - Gift of net assets of CUSL as restated	11,527,476	-
Transition adjustment - Depreciation on leasehold improvements	43,222	-
Transition adjustment - Depreciation on leasehold property	(600,902)	-
Opening reserves following transition adjustments	<u>10,484,280</u>	<u>1,194</u>

Net income reconciliation

	Consolidated	
	2016	
	Unrestricted	
	Total	
	Funds	
	£	
Net income/(expenditure) as previously stated	(2,781,287)	
Transition adjustment - Gift of net assets of CUSL as previously stated expense	2,294,577	
Transition adjustment - Gift of net assets of CUSL as restated	11,527,476	
Transition adjustment - Depreciation on leasehold improvements	43,222	
Transition adjustment - Depreciation on leasehold property	(600,902)	
Net income/(expenditure) following transition adjustments	<u>10,483,086</u>	