

CHARITY NUMBER: 1137163

Cardiff University Students' Union
Undeb Myfyrwyr Prifysgol Caerdydd

REGISTERED NUMBER: 07328777

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020



CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Union, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 14
Independent Auditor's Report on the Financial Statements	15 - 17
Consolidated Statement of Financial Activities	18
Consolidated Balance Sheet	19
Union Balance Sheet	20
Consolidated Statement of Cash Flows	21
Notes to the Financial Statements	22 - 46

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE UNION, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2020**

Trustees	Tomos Evans, President (appointed 1 July 2020) ¹ Jackie Yip, President (resigned 30 June 2020) ¹ Luke Evans, VP Societies and Volunteering (appointed 1 July 2020) ¹ Orla Tarn, VP Societies and Volunteering (resigned 30 June 2020) ¹ Judith Pickett, VP Sports & AU President ¹ Hannah Doe, VP Education (appointed 1 July 2020) ¹ Tomos Evans, VP Education (resigned 30 June 2020) ¹ Sebastian Ripley, VP Heath Park (appointed 1 July 2020) ¹ Hembafan Shekina Ortom, VP Heath Park (resigned 30 June 2020) ¹ Jane Chukwu, VP Postgraduate (appointed 1 July 2020) ¹ Nicholas Fox, VP Postgraduate (resigned 30 June 2020) ¹ Georgina East, VP Welfare and Campaigns (appointed 1 July 2020) ¹ James Wareham, VP Welfare and Campaigns (resigned 30 June 2020) ¹ Ryan Singh, Non-portfolio ² Thomas Mahony-Kelross, Non-portfolio (appointed 1 July 2020) ² Stephen Oldfield, Non-portfolio (appointed 1 July 2020) ² Gabriella Gropper, Non-portfolio (resigned 30 June 2020) ² Daniel Onafuwa, Non-portfolio (resigned 30 June 2020) ² Jayne Sadgrove, Non-portfolio ³ Rameshwar Singh CBE, Non-portfolio ³ Bethan Walsh, Non-portfolio ⁴ Richard Roberts OBE, Non-portfolio ⁴ Marie Natasha Applasamy (appointed 23 April 2020) ⁴ Denise Rich, Non-portfolio (resigned 3 October 2019) ⁴
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¹ Sabbatical Trustees

² Student Trustees

³ University Nominated Trustees

⁴ External Trustees

Company registered number	07328777
Charity registered number	1137163
Registered office	Park Place Cardiff CF10 3QN
Chief executive officer	Daniel Palmer
Independent auditor	Mazars LLP Chartered Accountants 90 Victoria Street Bristol BS1 6DP

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE UNION, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

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
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2020

The Trustees present their annual report together with the audited financial statements of the Group and the Union for the year 1 August 2019 to 31 July 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Objectives and activities

a. 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.

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 May 2018 the Union launched its current strategic plan covering 2018 to 2021, entitled 'The Heart of the Cardiff Student Experience' and it can be viewed at: <https://www.cardiffstudents.com/about-cusu/plans>.

Strategic report

Achievements and performance

a. Achievements and performance

Student engagement, participation in activities and overall satisfaction remained high in 2019/20 and prior to the enforced shutdown of activities due to COVID-19, the Union was on course for a record year in many areas. The Union maintained its place as 3rd highest ranked students' union in the UK, helped and advised more students than ever before and has significant growth in student activities participation. Prior to the pandemic the Union was also on course to achieve a turnover of over £11M in the year and despite COVID-19, still achieved its highest level of turnover in its 137-year history.

Despite the premature end to in-person delivery of activities and services, the Union had 50,806 Engagements (2018/19: 62,394) from 21,658 Student members (2018/19: 22,396). The interruption meant that after 7 consecutive years of growth, student engagement dropped for the first time. However, the Trustees are confident that without COVID-19, overall engagement would have at least been maintained at last year's level with three quarters of all Cardiff students having a relationship with the Union. Although not directly comparable

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Strategic report (continued)

Achievements and performance (continued)

to other students' unions, the Trustees believe that the Union's level of engagement is amongst the highest within UK students' unions.

In the year the Union was awarded Welsh Students' Union of the Year (2nd time in a row) by NUS, were nominated for two Cardiff Life awards, shortlisted for SU of the Year in the WhatUni student choice awards and have been named in the Best Companies top 30 Welsh employers for 2020. Other highlights from this year include:

- Supporting the University's Quality Enhancement Review process;
- Ranking 56th in the Sunday Times top 100 Not for Profit Companies to work for;
- Ranking 65th in the National Centre for Diversity's top 100 index;
- Agreeing to transfer the 4th floor of the Union building to support the University's international student recruitment plans, in exchange for a renovated 3rd floor space;
- Supporting students through successful campaigns, including the development of a joint task force on student safety across the city, raising concerns with ministers and working with the First Minister on poor-quality private accommodation, and mobilising students to vote in the General Election;
- Launching a climate emergency task group to improve the environmental impact of the organisation, resulting in a reduction of CO2 emissions and an increase in waste diversion from landfill; and
- Launching of food and beverage mobile app, delivering food to those studying in the SU building.

The Union also maintained its place as a top-ranked SU in all UK-wide rankings and remains the number 1 students' union in Wales and the GW4.

Student Engagement figures by area

Use by No. of students	2012	2013	2014	2015	2016	2017	2018	2019	2020
Advice centre	1,225	1,739	1,984	1,672	2,166	2,295	4,195	5,289	6,634
Academic Rep	941	1,061	983	885	1,069	940	1,023	925	980
Annual Members Meeting	629	862	580	663	564	625	724	633	871
Associations	599	385	42	411	447	180	251	132	135
Athletic Union	4,125	4,674	4,925	5,233	5,204	5,441	5,493	5,278	4,915
Cardiff Student Letting	985	1,449	1,803	1,472	1,260	1,398	1,623	1,977	2,316
Driver Election	218	238	350	204	189		175	166	108
Candidate	84	70	85	145	118	97	96	166	166
Give it a Go				1,578	5,471	4,482	5,289	4,644	4,036
Guild of Societies	5,416	5,872	7,712	7,666	7,978	8,852	9,528	8,159	7,874
Jobshop	1,856	1,870	1,839	2,110	2,228	2,867	3,016	5,036	4,318
Skills Development Service	1,229	1,686	1,866	2,930	2,218	2,147	2,027	1,951	1,706
Student Senate	73	141	26	25	29	32	30	25	27
Student Media	339	146	416	398	458	355	306	308	257
Student Led Services	1,061	319	330	272	281	131	173	234	138
Union Volunteers							581	844	306

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Strategic report (continued)

Achievements and performance (continued)

Use by No. of students	2012	2013	2014	2015	2016	2017	2018	2019	2020
Venues	7,342	8,659	10,580	10,792	9,392	11,701	12,073	11,299	10,078
Volunteering - CV					808	1,109	1,592	1,293	1,137
Voter	5,018	4,898	7,114	7,582	6,912	6,995	6,578	7,540	6,126
Varsity					3,810	5,593	4,794	6,518	5,600*

* Event Cancelled

Student satisfaction

The Union tracks satisfaction from its student members via internal and external measures and uses the feedback gathered to shape its activities and services. In the past year many external bodies didn't report independent student satisfaction results due to COVID-19 interruption. However, the Union maintained its place as 3rd best SU in the UK according to the WhatUni Student Choice Awards and was the 3rd highest ranked SU within the Russell Group in the National Student Survey.

A comprehensive and numerical breakdown of the Union's engagement activities and its student satisfaction levels can be seen at: www.cardiffstudents.com/about-cusu/governance/annual-impact-reports.

Achievements against targets set

The Union's top 20 operational targets are set within its organisational balanced scorecard, set annually by the Trustees. 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. In 2019/20, achievement of the stated goals was severely impacted by COVID-19 and is reflected in the low levels of target completion. Four of the targets were fully achieved, with ten partially achieved and six not achieved / deferred until 2020/21. Statements of performance against these targets are listed below. During 2019/20 the Union did not undertake an assessment of staff time and financial resources used to achieve these objectives.

Satisfaction & Engagement

1. To have reviewed progress against the 18-21 strategy, have prepared a final year implementation plan & started planning for the post-2021 strategy by 30 June 2020.

Partially achieved

2. To achieve 86% (2018: 84%) combined (UG, PGT, PGR & distance) overall student satisfaction within the Welcome to Cardiff Survey and maintain UK Top-3 SU within the WhatUni Student Choice Awards by 30 April 2020.

Partially achieved

3. To achieve a 2% increase in the number of students who agree that the Union represents their academic interests via the NSS, by 31 July 2020.

Achieved

4. To ensure that at least 75% of students engage with the Union during 2019/20 with over 83% of graduating students engaging with the Union by 31 July 2020.

Not achieved

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Strategic report (continued)

Achievements and performance (continued)

5. To have embedded the Heath Park students strategy, evidenced by recruitment and consolidation of the dedicated staff team, new staff and engagement accommodation and the establishment of comprehensive engagement monitoring by 31 July 2020.

Partially achieved

Learning & Development

1. To ensure that 90% of all senior staff and heads of department have undertaken coaching & mentoring training by 31 July 2020.

Not achieved

2. To achieve Best Companies 1-star status and maintain our place within the Sunday Times top-100 organisations to work for by 31 January 2020.

Achieved

3. To have established engagement plans for Newport and Central Square students in line with the 2018-21 strategy by 31 March 2020.

Not achieved

4. To have reviewed the Union's engagement monitoring and CRM software and approve a new strategic direction by 31 December 2019.

Partially achieved

5. To develop and implement a student staff and student volunteer policy, including HR support, wellbeing, safety, feedback, learning and development by 31 March 2020.

Not achieved

Sustainability

1. To achieve the overall budgeted surplus and cash position for the Union's group of companies for 2019/2020, by 31 July 2020.

Achieved

2. To achieve the overall budgeted income position for CUSL by increasing profit and / or maximizing the benefits of the Union's CSL mitigation agreement by 31 July 2020.

Not achieved

3. To complete phase 1 of the Great Hall development by 18 September 2019 and gain approval and secure funding for phase 2 by 31 May 2020.

Partially achieved

4. To have created ablution facilities and opened a renovated or new multi-faith prayer space by 18 September 2019.

Partially achieved

5. To have identified a costed range of options and mock up designs for the Union's new entrance, Welcome Centre and Great Hall entrance by 30 June 2020.

Partially achieved

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Strategic report (continued)

Achievements and performance (continued)

Quality & Assurance

1. To complete the Union's student submission for the QAA quality enhancement review by 31 December 2019.
Achieved

2. To review the Union's Governance framework and report to the Board of Trustees by 31 March 2020.
Partially achieved

3. To audit the Union's progress against the Charity Governance Code and the Students' Union Governance Code by 31 December 2019.
Partially achieved

4. To ensure the least possible disruption to the Union from the CSL building site, evidenced by targeted research and maintaining overall student engagement by 31 July 2020.
Partially achieved

5. To adopt and agree operating procedures for the new temporary entrance to the University Union building by 9 October 2019.
Partially achieved

Financial review

a. Financial review

The Charity Group's total income amounted to £10,280,850 (2019: £9,934,887) with total expenditure of £10,823,403 (2019: £9,931,722) in the year. Overall this resulted in a net expenditure of £542,553 (2019: net income of £3,165). This includes restricted grant income of £1,178,647 and expenditure and transfers of £520,507.

At 31 July 2020 the Union Group's free reserves (i.e. unrestricted funds not represented by fixed assets and pension fund liability) amounted to £1,342,303 (2019: 1,008,172) and the Trustees are satisfied that the Union has a sound financial base to continue to operate through the COVID-19 pandemic and to pursue its objectives and activities. In addition, a further £682,855 (2019: £24,715) was held in restricted funds.

Despite trade being limited to seven months of the year due to the pandemic, the Union's trading subsidiary's turnover only decreased to £3,795,928 (2019: £4,516,928) resulting in a reduced gross profit of £1,898,977 (2019: £2,380,850). The timing of the initial COVID-19 shutdown came after the Company's busiest periods of the year, whilst some trading activities were able to continue, such as Student Lettings. Administrative expenses increased to £3,924,274 (2019: £3,901,420) in the year.

Overall the trading company made a deficit of £-1,332,409 (2019: £-1,256,541). During the year the company's pension liability increased to £5,770,342 (2019: £4,297,886) following the outcome of the triannual valuation of the Scheme. The deficit arises from the Company's future obligations towards the Students' Union Superannuation Scheme (SUSS), which was closed to future accrual in 2011. The Trustees and 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 2035.

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Strategic report (continued)

Financial review (continued)

b. 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 Union's reserves policy states that the Union will budget to achieve surpluses annually from its consolidated activities to build unrestricted free reserves to £1.3M by 2023. Free reserves are defined as 'unrestricted funds not represented by fixed assets'.

The Charity's total funds in free reserve is £1,558,534 (2019: £1,421,355) and £1,342,303 (2019: £1,008,172) when consolidated.

c. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Union has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

d. Financial risk management objectives and policies

The Trustees examine the major strategic, business and operational risks faced by the Union and maintain a risk register that is reviewed 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.

e. Principal risks and uncertainties

The Union maintains a risk register that is reviewed annually by the Trustees. The following risks areas have been identified as the most critical to the Union's strategic, financial and reputational health.

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 £1.3M in free reserves by 2023	Detailed budgeting and comprehensive management reporting via the Board of Trustees and the Finance & Audit Committee. Annual forecasting is in place and the Union has achieved its budgeted surpluses for the past three years. Target achieved in August 2020, but quickly unmet due to COVID-19 impact. Surplus budgets will continue to be planned once COVID-19 recovery has ended and are realistic within the environmental context.

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Strategic report (continued)

Financial review (continued)

Financial	Pension structures deliver unmanageable increases in cost to the Union	The Union's pension costs through SUSS have more than 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 as well as NEST. A 20% increase in employer contributions is due from October 2021 onwards.
Health & Safety	Incidents and accidents fail to be reported in line with agreed procedures	Incidents should be reported immediately so that further action can be taken if necessary. All staff should be vigilant to detect and deal with potential hazards that might arise at any time. H&S awareness training and specific training for responsible officials concerning their responsibilities has been delivered.

f. Principal funding

The Union's principal funding source is Cardiff University. The relationship between Cardiff University and the Union is established in an ordinance of the University's governing documents and in 2019/20 the Union received a grant of £2,895,750 (2018/19: £2,925,000). The grant is set 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.

Structure, governance and management

a. Constitution

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).

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

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; and

Two University Nominated Trustees, appointed in accordance with the Union's Memorandum and Articles of Association.

The 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 seven committees to ensure effective oversight of operations and where appropriate invite experts to attend and advise these committees:

Leadership Team

Finance & Audit Committee

Health, Environment, Maintenance & Safety (HEMS) Committee

Human Resources Committee

Satisfaction, Engagement & Participation (SEP) Committee

Appointments & Remuneration Committee

Chief Executive's Appraisal Group

All new trustees are provided induction training and introduced to the activities of the Union by the existing Board, the Chief Executive and other staff. 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.

c. Organisational structure and decision-making policies

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 2019/20 they were:

Permanent members

Chief Executive

Daniel Palmer

Deputy Chief Executive

Ben Eagle

Director of Engagement & Participation

Steve Wilford

Director of Communications

Raechel Matthey

Director of Finance

Christine Akers

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Structure, governance and management (continued)

Associate members

Head of Lettings

Eoghan Conway (to December 2020)

Head of Student Advice

Josh Gibbs (from July 2019 to June 2020)

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 100 permanent staff and a further 250 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.

d. Pay policy for senior staff

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.

e. Affiliations

The Union is affiliated to the National Union of Students (NUS) and British Universities and Colleges Sport (BUCS) and paid affiliation fees of £60,000 and £19,192 respectively in 2019/20. Both affiliations were ratified by the Student Members' Annual Members Meeting on 21 November 2019. The Union participates in the NUS Services purchasing consortium and receives trading support and other benefits including income from Totum (formally NUS Extra) card sales. In 2019/20 the Union's net income from Totum card sales was £5,406 (2019: £47,785).

f. Affiliated student clubs and societies

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 2019/20 the Union allocated grants to these groups totalling £64,112 (2019: £60,622).

g. Volunteers

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Structure, governance and management (continued)

h. Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Union and the Group carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Union and the group has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the Union and the group's Equal Opportunities Policy, the Union and the group has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Union and the group's offices.

Plans for future periods

The Union's strategy 2018-2021 – The heart of the Cardiff student experience – outlines the Union's plans over the coming three years and splits its priorities into four themes and four enablers. These are:

Themes

The heart of student life; Home of the student voice; Sector-leading facilities and services; and Engaging our less engaged communities.

Enablers

People; Finance; Facilities; and Digital Technology

Over the life of the strategy the Trustees recognise that the Union will likely be operationally disrupted by the construction of the Centre for Student Life building in front of the Union building on Park Place and by the construction of the new Maths and Computer Science building immediately north of the Union building on Senghennydd Road. The Union has agreed a business interruption package with Cardiff University to mitigate any negative financial impacts caused by the construction work. The Trustees are confident that once completed the new buildings will significantly enhance the Union's ability to meet its charitable objectives and will increase income generation opportunities to support growth of the charity.

In mid-2020 the Union started work on developing a new strategy from mid-2021 onwards.

The Trustees have set the following top 20 operational targets for 2020/21, taking account of the ongoing pandemic and carrying forward of targets from the prior year:

Satisfaction & Engagement

1. To organise and operate a full and diverse freshers social and entertainments package over an extended University induction period, including freshers fairs at both the Cathays and Heath campuses by 30 November 2020.
2. To develop a new measure of mass student satisfaction in the SU and begin satisfaction modelling and maintain UK Top-3 SU within the WhatUni Student Choice / Student Hut Awards by 30 April 2021.
3. To increase the percentage of students who agree that the Union represents their academic interests in the

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Plans for future periods (continued)

NSS by 2% (from 64% to 66%).

4. To retain the current level of staff satisfaction within the NUS staff engagement survey (or Best Companies Survey) by 30 June 2021.
5. To establish a student groups support system and ensure that the number of active student groups doesn't fall by more than 10% in 2020/21 by 31 July 2021

Learning & Development

1. To launch a new organisational strategy and brand by 31 July 2021.
2. To ensure that at least 50% (down from 73% in 2018/19) of students engage with the Union during 2020/21 by 31 July 2021.
3. To launch a room / space booking platform to facilitate efficient use of the Union building by students in 2020/21 by 15 September 2020.
4. To develop a renewed HR strategy, incorporating a comprehensive student staff support strategy by 28 February 2021.
5. To re-establish the Investors in Diversity working group and establish a race equality plan and training programme by 28 February 2021.

Sustainability

1. To achieve the overall budgeted deficit and cash position for the Union's group of companies for 2020/2021 by 31 July 2021.
2. To achieve the overall net income contribution from CUSL's trading activities for 2020/21 by 31 July 2021.
3. To complete the internal decoration for the 3rd floor of the building to an operationally acceptable standard for full use by 15 September 2020.
4. To have created ablution facilities and opened a renovated or new multi-faith prayer space by 15 September 2020.
5. To design and begin building works on an updated SU Park Place entrance (for September 2021 opening), incorporating social distancing needs and with restricted funds by 31 July 2021.

Quality & Assurance

1. To agree COVID-19 operating plans for all student-facing services to ensure continued provision in 2020/21 and opportunities to quickly rebound in 2021/22 by 15 September 2020.
2. To have established a COVID-19 specific risk assessment for the Union building and all student-facing activities by 15 September 2020
3. To have established a new Governance framework, following approval by the Board of Trustees and other relevant bodies by 31 December 2020.
4. To have successfully installed the Union building's new heating and combi power system by 15 September 2020.
5. To adopt and agree operating procedures and partnership working for co-location with the Centre for Student Life by 31 July 2021.

Trustees' indemnities

Group directors and officers indemnity insurance is held by the parent entity up to a limit of £2m.

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Union for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Union and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102)
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Union's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, Mazars LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 21 January 2021 and signed on their behalf by:



Tomos Evans
Union President 2020/21 and Chair of the Board of Trustees

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

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

Opinion

We have audited the financial statements of Cardiff University Students' Union (the 'Union') for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, the Group and Union Balance Sheets, the Group Consolidated 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 July 2020 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 Union 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 directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Union'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.

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE OF CARDIFF UNIVERSITY STUDENTS' UNION
(CONTINUED)

Other information

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

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

We have nothing to report in this regard.

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 Strategic Report and the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Union and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Trustees' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE OF CARDIFF UNIVERSITY STUDENTS' UNION
(CONTINUED)

Responsibilities of Directors

As explained more fully in the Trustees' responsibilities statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Union 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.

Use of the audit report

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



Jonathan Marchant (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

Date: 9 March 2021

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	2,895,750	1,178,647	4,074,397	2,941,781
Charitable activities	4	1,960,991	-	1,960,991	2,468,637
Other trading activities		3,795,928	-	3,795,928	4,516,928
Investments	5	5,181	-	5,181	7,541
Other income	6	444,353	-	444,353	-
Total income		9,102,203	1,178,647	10,280,850	9,934,887
Expenditure on:					
Raising funds		7,484,311	-	7,484,311	6,160,460
Charitable activities	7	3,307,891	31,201	3,339,092	3,771,262
Total expenditure		10,792,202	31,201	10,823,403	9,931,722
Net (expenditure)/income		(1,689,999)	1,147,446	(542,553)	3,165
Transfers between funds	18	489,306	(489,306)	-	-
Net movement in funds		(1,200,693)	658,140	(542,553)	3,165
Reconciliation of funds:					
Total funds brought forward		8,759,985	24,715	8,784,700	8,781,535
Net movement in funds		(1,200,693)	658,140	(542,553)	3,165
Total funds carried forward		7,559,292	682,855	8,242,147	8,784,700

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 46 form part of these financial statements.

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07328777

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	11,987,331	12,049,699
Investments		73,563	73,563
		<u>12,060,894</u>	<u>12,123,262</u>
Current assets			
Stocks	13	129,535	70,786
Debtors	14	578,763	825,778
Cash at bank and in hand		2,795,037	1,655,788
		<u>3,503,335</u>	<u>2,552,352</u>
Creditors: amounts falling due within one year	15	(1,305,907)	(1,593,028)
Net current assets		<u>2,197,428</u>	<u>959,324</u>
Total assets less current liabilities		<u>14,258,322</u>	<u>13,082,586</u>
Creditors: amounts falling due after more than one year	16	(245,833)	-
Provisions for liabilities	17,24	(5,770,342)	(4,297,886)
Total net assets		<u><u>8,242,147</u></u>	<u><u>8,784,700</u></u>
Charity funds			
Restricted funds	18	682,855	24,715
Unrestricted funds	18	7,559,292	8,759,985
Total funds		<u><u>8,242,147</u></u>	<u><u>8,784,700</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 21 January 2021 and signed on their behalf by:



Tomos Evans
Union President 2020/21 and Chair of the Board of Trustees

The notes on pages 22 to 46 form part of these financial statements.

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07328777

UNION BALANCE SHEET
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	49,295	45,110
Investments		2,000	2,000
		<u>51,295</u>	<u>47,110</u>
Current assets			
Debtors	14	453,760	1,831,131
Cash at bank and in hand		2,266,557	102,661
		<u>2,720,317</u>	<u>1,933,792</u>
Creditors: amounts falling due within one year	15	(493,410)	(489,726)
Net current assets		<u>2,226,907</u>	<u>1,444,066</u>
Total assets less current liabilities		<u>2,278,202</u>	<u>1,491,176</u>
Total net assets		<u><u>2,278,202</u></u>	<u><u>1,491,176</u></u>
Charity funds			
Restricted funds	18	682,855	24,715
Unrestricted funds		1,595,347	1,466,461
Total funds		<u><u>2,278,202</u></u>	<u><u>1,491,176</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 31 January 2021 and signed on their behalf by:



Tomos Evans
Union President 2020/21 and Chair of the Board of Trustees

The notes on pages 22 to 46 form part of these financial statements.

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	1,792,847	801,334
Cash flows from investing activities		
Dividends, interests and rents from investments	5,181	7,541
Purchase of tangible fixed assets	(658,779)	(327,938)
Net cash used in investing activities	(653,598)	(320,397)
Change in cash and cash equivalents in the year	1,139,249	480,937
Cash and cash equivalents at the beginning of the year	1,655,788	1,174,851
Cash and cash equivalents at the end of the year	<u>2,795,037</u>	<u>1,655,788</u>

The notes on pages 22 to 46 form part of these financial statements

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

1. General information

Cardiff University Students' Union is a private company limited by guarantee, registered in England & Wales, company registration number 07328777. It is a registered charity with registered number 1137163. Its registered office address is Park Place, Cardiff, CF10 3QN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cardiff University Students' Union meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The presentational currency of the Union is Sterling which is its functional currency and the financial statements are rounded to the nearest £. The current financial information relates to the year ended 31 July 2020 and the comparative information relates to the year ended 31 July 2019.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Union and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Union alone as permitted by section 408 of the Companies Act 2006. The income and expenditure account for the year dealt with in the accounts of the Union was £787,026 (2019 - £1,258,490).

2.2 Company status

The Union is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Union being wound up, the liability in respect of the guarantee is limited to £1 per member of the Union.

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have reviewed the forecasts based on the Union's latest income and expenditure to ensure cash liquidity is maintained to an appropriate level for the 12 month period, from the date of signing these statements i.e. to 31 January 2022. The forecasts have modelled several reasonably possible scenarios around recommencing our full commercial activities.

Whilst the situation continues to evolve, making scenario planning difficult, the Union principal funding source remains the block grant from the University, which is agreed in advance of the start of the financial year. There is no reason to expect that the level of grant will materially change and each year the Union is able to adopt a zero-based budget, with activity proportionate to the level of funding agreed. As a consequence the Union is well placed to manage its financial risks satisfactorily, and has a reasonable expectation that it will have adequate resources to continue in operation for at least 12 months from the signing date of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Union has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement 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 are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and 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.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Union; this is normally upon notification of the interest paid or payable by the Bank.

2.7 Tangible fixed assets and depreciation

Leasehold improvements and plant and machinery costing more than £1,000, equipment costing more than £500 and computers costing more than £300 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	- over the remaining term of the lease
Leasehold improvements, plant & machinery	- 5 - 10 years
Office equipment	- 3 - 5 years
Computer equipment	- 3 years
Work in progress	- Nil

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

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.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Union anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.13 Provisions

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.14 Financial instruments

The Union only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Pensions

The Union operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Union to the fund in respect of the year.

2.16 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 Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020[illegible]

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Athletic Union income	29,882	29,882
Societies income	37,211	37,211
Hire of vehicles for student use	55,977	55,977
Student development income	3,076	3,076
Give it a Go programme income	57,099	57,099
Jobshop	1,738,243	1,738,243
Miscellaneous	38,101	38,101
Income from Cardiff Volunteering	1,402	1,402
	<u>1,960,991</u>	<u>1,960,991</u>
	Unrestricted funds 2019 £	Total funds 2019 £
Athletic Union income	101,811	101,811
Societies income	40,247	40,247
Hire of vehicles for student use	57,694	57,694
Student development income	8,266	8,266
Give it a Go programme income	70,640	70,640
Jobshop	2,126,865	2,126,865
Miscellaneous	51,477	51,477
Income from Cardiff Volunteering	11,637	11,637
	<u>2,468,637</u>	<u>2,468,637</u>

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

5. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest received	5,181	5,181

	Unrestricted funds 2019 £	Total funds 2019 £
Bank interest received	7,541	7,541

6. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Coronavirus Job Retention Scheme Grant	444,353	444,353	-

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Charitable activities	3,307,891	31,201	3,339,092

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

7. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Charitable activities	3,757,400	13,862	3,771,262

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Charitable activities	1,816,419	1,522,673	3,339,092

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Charitable activities	2,144,276	1,626,986	3,771,262

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Charitable activities 2020 £	Total funds 2020 £
Staff costs	1,650,177	1,650,177
Direct costs of activities	80,420	80,420
Direct costs of dealing with AU and Societies	19	19
Give it a Go costs	50,404	50,404
Transport costs	22,386	22,386
Student development costs	5,586	5,586
Events costs	3	3
Jobshop costs	74	74
Staff welfare	1,114	1,114
Expenditure from Cardiff Volunteering	6,236	6,236
	<u>1,816,419</u>	<u>1,816,419</u>

	Charitable activities 2019 £	Total funds 2019 £
Staff costs	1,984,514	1,984,514
Direct costs of activities	24,294	24,294
Direct costs of dealing with AU and Societies	1,275	1,275
Give it a Go costs	53,129	53,129
Transport costs	29,299	29,299
Student development costs	10,931	10,931
Events costs	22,846	22,846
Jobshop costs	744	744
Staff welfare	2,048	2,048
Building and equipment costs	175	175
Expenditure from Cardiff Volunteering	15,021	15,021
	<u>2,144,276</u>	<u>2,144,276</u>

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Charitable activities 2020 £	Total funds 2020 £
Staff costs	856,588	856,588
Staff welfare	10,728	10,728
Building and equipment costs	18,315	18,315
Marketing costs	27,396	27,396
Motor and travel costs	34,082	34,082
Communications	27,989	27,989
Corporate and administrative costs	168,064	168,064
Depreciation	15,997	15,997
Student activities	324,682	324,682
Agency staff costs	38,832	38,832
	<u>1,522,673</u>	<u>1,522,673</u>

	Charitable activities 2019 £	Total funds 2019 £
Staff costs	929,810	929,810
Staff welfare	27,450	27,450
Building and equipment costs	20,869	20,869
Marketing costs	34,337	34,337
Motor and travel costs	38,275	38,275
Communications	36,026	36,026
Corporate and administrative costs	162,917	162,917
Depreciation	14,317	14,317
Student activities	329,839	329,839
Agency staff costs	33,146	33,146
	<u>1,626,986</u>	<u>1,626,986</u>

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

9. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Union's auditor for the audit of the Union's annual accounts	5,950	5,665
Fees payable to the Union's auditor in respect of:		
The auditing of accounts of associates of the Union	8,215	7,825
Taxation compliance services	1,500	1,290
All other non-audit services not included above	3,940	3,760
	<u> </u>	<u> </u>

10. Staff costs

	Group 2020 £	Group 2019 £	Union 2020 £	Union 2019 £
Wages and salaries	4,746,792	4,994,231	2,369,854	2,762,191
Social security costs	279,615	280,250	111,020	125,747
Contribution to defined contribution pension schemes	84,958	75,325	25,891	26,386
	<u>5,111,365</u>	<u>5,349,806</u>	<u>2,506,765</u>	<u>2,914,324</u>

The average number of persons employed by the Union during the year was as follows:

	Group 2020 No.	Group 2019 No.
Cardiff University Students' Union - Sabbatical officers	7	7
Cardiff University Students' Union - Jobshop	502	629
Cardiff University Students' Union - Administrative	57	56
Cardiff Union Services Limited - Cost of sales	163	167
Cardiff Union Services Limited - Administrative	82	86
	<u>811</u>	<u>945</u>

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

10. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020 No.	Group 2019 No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1
	<u>1</u>	<u>1</u>

Termination payments totalling £13,650 (2019: £7,637) were made during the year under review. These payments arise out of a re-organisation of 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 (2019: 5) key management personnel received employee benefits, inclusive of employer pension contributions and termination payments, totalling £325,914 (2019: £316,987).

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

11. Tangible fixed assets

Group

	Long-term leasehold property £	Leasehold improvements £	Office equipment £	Computer equipment £	Work in Progress £	Total £
Cost or valuation						
At 1 August 2019	14,000,000	77,318	1,545,985	464,166	150,437	16,237,906
Additions	-	126,125	4,912	583	527,159	658,779
Transfers between classes	-	150,437	-	-	(150,437)	-
At 31 July 2020	14,000,000	353,880	1,550,897	464,749	527,159	16,896,685
Depreciation						
At 1 August 2019	2,407,299	5,493	1,349,035	426,380	-	4,188,207
Charge for the year	602,218	28,217	72,452	18,260	-	721,147
At 31 July 2020	3,009,517	33,710	1,421,487	444,640	-	4,909,354
Net book value						
At 31 July 2020	10,990,483	320,170	129,410	20,109	527,159	11,987,331
At 31 July 2019	11,592,701	71,825	196,950	37,786	150,437	12,049,699

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

11. Tangible fixed assets (continued)

Union

	Office equipment £	Computer equipment £	Work in progress £	Total £
Cost or valuation				
At 1 August 2019	67,855	7,181	-	75,036
Additions	681	-	19,500	20,181
At 31 July 2020	68,536	7,181	19,500	95,217
Depreciation				
At 1 August 2019	27,453	2,473	-	29,926
Charge for the year	13,695	2,301	-	15,996
At 31 July 2020	41,148	4,774	-	45,922
Net book value				
At 31 July 2020	27,388	2,407	19,500	49,295
At 31 July 2019	40,402	4,708	-	45,110

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

12. Fixed asset investments

	Other investments £
Group	
Market value	
At 1 August 2019 and 31 July 2020	73,563
	<u>73,563</u>

Group investments comprise:

	31 July 2020 £	31 July 2019 £
Welsh Rugby Union Debentures	62,000	62,000
NUS Credit guarantee deposit	11,563	11,563
	<u>73,563</u>	<u>73,563</u>

	Other investments £
Union	
Market value	
At 1 August 2019 and 31 July 2020	2,000
	<u>2,000</u>

13. Stocks

	Group 2020 £	Group 2019 £
Goods for resale	129,535	70,786
	<u>129,535</u>	<u>70,786</u>

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

14. Debtors

	Group 2020 £	Group 2019 £	Union 2020 £	Union 2019 £
Trade debtors	191,533	676,843	130,104	457,663
Amounts owed by group undertakings	-	-	214,597	1,273,163
Other debtors	87,044	82,756	79,549	75,713
Prepayments and accrued income	176,250	66,179	29,510	24,592
Tax recoverable	123,936	-	-	-
	<u>578,763</u>	<u>825,778</u>	<u>453,760</u>	<u>1,831,131</u>

15. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Union 2020 £	Union 2019 £
Bank loans	4,167	-	-	-
Trade creditors	220,680	451,824	41,794	12,934
Amounts owed to group undertakings	-	-	9,101	29,467
Other taxation and social security	191,349	151,139	3,459	19,364
Other creditors	533,062	476,571	424,415	334,534
Accruals and deferred income	356,649	513,494	14,641	93,427
	<u>1,305,907</u>	<u>1,593,028</u>	<u>493,410</u>	<u>489,726</u>

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

16. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £
Bank loans	245,833	-

A Business Interruption Loan from Lloyds bank was obtained in May to provide additional working capital to fund project costs. The rate of interest payable on the loan is Bank of England Base Rate plus 1.81% per annum. Base Rate is currently 0.1% per annum. The loan is effectively interest free for the first 12 months after which interest is charged each month against the amount outstanding and will therefore vary throughout the life of the loan. The capital is repayable in 60 equal monthly instalments of £4,166.67 commencing 13 months after drawdown of the loan. There are no early repayment charges associated with the loan. The loan is secured against an unlimited debenture dated 01/10/10 from Cardiff Union Services Limited.

17. Net pension liability

Group

	Unrestricted total fund 2020 £
At 1 August 2019	4,297,886
Additional provision based on latest recovery plan	1,420,310
Payments in the year	(255,486)
Change in discount rate	219,912
Unwinding of discount	87,720
	<u>5,770,342</u>

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

18. Statement of funds

Statement of funds - current year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2020 £
Unrestricted funds					
Designated funds					
Fixed Assets Fund	12,049,699	-	(721,147)	658,779	11,987,331
Pension Reserve	(4,297,886)	-	-	(1,472,456)	(5,770,342)
	<u>7,751,813</u>	<u>-</u>	<u>(721,147)</u>	<u>(813,677)</u>	<u>6,216,989</u>
General funds					
Cardiff University Students' Union	1,421,355	4,845,088	(5,177,030)	469,121	1,558,534
Cardiff Volunteering	27,803	11,662	(8,832)	-	30,633
Cardiff Union Services Limited	(440,986)	4,245,453	(4,885,193)	833,862	(246,864)
	<u>1,008,172</u>	<u>9,102,203</u>	<u>(10,071,055)</u>	<u>1,302,983</u>	<u>1,342,303</u>
Total Unrestricted funds	<u>8,759,985</u>	<u>9,102,203</u>	<u>(10,792,202)</u>	<u>489,306</u>	<u>7,559,292</u>
Restricted funds					
Restricted funds	<u>24,715</u>	<u>1,178,647</u>	<u>(31,201)</u>	<u>(489,306)</u>	<u>682,855</u>
Total of funds	<u><u>8,784,700</u></u>	<u><u>10,280,850</u></u>	<u><u>(10,823,403)</u></u>	<u><u>-</u></u>	<u><u>8,242,147</u></u>

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2019 £
Unrestricted funds					
Designated funds					
Fixed Assets Fund	12,426,877	-	(705,116)	327,938	12,049,699
Pension Reserve	(4,407,704)	-	(133,503)	243,321	(4,297,886)
	<u>8,019,173</u>	<u>-</u>	<u>(838,619)</u>	<u>571,259</u>	<u>7,751,813</u>
General funds					
Cardiff University Students' Union	175,683	4,981,737	(3,711,845)	(24,220)	1,421,355
Cardiff Volunteering	26,591	21,909	(20,697)	-	27,803
Cardiff Union Services Limited	538,292	4,914,460	(5,346,699)	(547,039)	(440,986)
	<u>740,566</u>	<u>9,918,106</u>	<u>(9,079,241)</u>	<u>(571,259)</u>	<u>1,008,172</u>
Total Unrestricted funds	<u>8,759,739</u>	<u>9,918,106</u>	<u>(9,917,860)</u>	<u>-</u>	<u>8,759,985</u>
Restricted funds					
Restricted Funds	<u>21,796</u>	<u>16,781</u>	<u>(13,862)</u>	<u>-</u>	<u>24,715</u>
Total of funds	<u><u>8,781,535</u></u>	<u><u>9,934,887</u></u>	<u><u>(9,931,722)</u></u>	<u><u>-</u></u>	<u><u>8,784,700</u></u>

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

18. Statement of funds (continued)

Description of funds

Designated funds

Fixed Assets Fund - in 2018 the Trustees decided to designate the net book value of the Group's fixed assets as these assets are not readily available to spend.

Pension Reserve - in 2018 the Trustees decided to designate the pension liability held in Cardiff Union Services Limited since this liability is not immediately payable.

Unrestricted funds

General Funds (the Union) - these are the funds of the Union which have not been designated by Trustees.

Cardiff Volunteering - this fund represents the net assets of the subsidiary Cardiff Volunteering.

Cardiff Union Services Limited - this fund represents the net assets of the subsidiary Cardiff Union Services Limited, after the designation of the Fixed Assets Fund and the Pension Reserve.

Restricted funds

The restricted funds represent restricted grants not expended at the year end.

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	11,987,331	-	11,987,331
Fixed asset investments	73,563	-	73,563
Current assets	2,820,481	682,855	3,503,336
Creditors due within one year	(1,305,908)	-	(1,305,908)
Creditors due in more than one year	(245,833)	-	(245,833)
Provisions for liabilities and charges	(5,770,342)	-	(5,770,342)
Total	7,559,292	682,855	8,242,147

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	12,049,699	-	12,049,699
Fixed asset investments	73,563	-	73,563
Current assets	2,527,637	24,715	2,552,352
Creditors due within one year	(1,593,028)	-	(1,593,028)
Provisions for liabilities and charges	(4,297,886)	-	(4,297,886)
Total	8,759,985	24,715	8,784,700

20. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	Group 2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(542,553)	3,165
Adjustments for:		
Depreciation charges	721,147	705,116
Dividends, interests and rents from investments	(5,181)	(7,541)
Increase in stocks	(58,749)	(30,850)
Decrease/(increase) in debtors	247,015	(286,196)
Increase/(decrease) in creditors	(41,288)	527,458
(Decrease)/increase in net pension liability	1,472,456	(109,818)
Net cash provided by operating activities	1,792,847	801,334

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

21. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	2,795,037	1,655,788
Total cash and cash equivalents	2,795,037	1,655,788

22. Analysis of changes in net debt

	At 1 August 2019 £	Cash flows £	At 31 July 2020 £
Cash at bank and in hand	1,655,788	1,139,249	2,795,037
Debt due within 1 year	-	(4,167)	(4,167)
Debt due after 1 year	-	(245,833)	(245,833)
	1,655,788	889,249	2,545,037

23. Capital commitments

	Group 2020 £	Group 2019 £
Contracted for but not provided in these financial statements	327,966	69,819

24. Pension commitments

Defined contribution pension

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £84,958 (2019: £75,325). Contributions totalling £14,170 (2019: £16,591) were payable to the fund at the balance sheet date and are included in creditors.

Defined benefit pension

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.

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

24. Pension commitments (continued)

The most recent Triannual Valuation of the Scheme was carried out as at 30 June 2019 and showed that the market value of the Scheme's assets was £119.1m (2016: £101.3m) excluding AVC's and insured pensioners with these assets representing 46% (2016: 46%) of the value of benefits that have accrued to members. The deficit on an ongoing funding basis amounted to £140.9m (2016: £119.7m).

The 2019 Valuation funding shortfall recovery plan requires a monthly contribution requirement by each Participating Employer up to August 2035. The contribution will increase by 5% in October 2020 as planned and then by 16% in October 2021. Contributions will increase by 5% each year thereafter until the end of the deficit recovery period. 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 2019 and will be formally reviewed following completion of the next Valuation due with an effective date of 30 June 2022. Surpluses or deficits which arise at future valuations will also impact on Union'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 eligible employees for the year ended 31 July 2020 amount to £255,486 (2019: £243,321).

At the balance sheet date the Company had commitments to pay deficit funding contributions of £21,547 per month, increasing by 5% at October 2020.

25. Operating lease commitments

At 31 July 2020 the Group and the Union had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Union 2020 £	Union 2019 £
Not later than 1 year	33,992	58,746	28,359	53,113
Later than 1 year and not later than 5 years	38,024	72,052	32,792	61,854
	<u>72,016</u>	<u>130,798</u>	<u>61,151</u>	<u>114,967</u>

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

26. 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 £9,504 (2019: £11,607).

As authorised under section 6 of the Articles of Association, a total of £157,735 (2019: 157,218) was paid in remuneration to 12 (2019: 13) sabbatical officer trustees as follows:

	Gross pay £	2020 Employer pension contribution £
J Yip	20,308	440
J T Wareham	19,840	-
O Tarn	19,840	426
J Pickett	21,644	464
S H Ortom	20,335	426
N Fox	19,840	426
T I Evans	21,700	156
L A Evans	2,378	-
G East	2,378	-
H T Doe	2,378	-
S Ripley	2,378	-
J N Chukwu	2,378	-
	<hr/> 155,397 <hr/>	<hr/> 2,338 <hr/>

27. Controlling party

The Charity was controlled throughout the year by its Trustees.

28. Subsidiary charity activities - Cardiff Volunteering

Cardiff Volunteering is a 100% subsidiary of the charity. It is registered in England & Wales, company registered number 09712403 and charity registered number 1168217.

At 31 July 2020, the company had net assets of £30,633 and it made a surplus for the year of £2,830.

During the year under review Cardiff University Students' Union made a donation to Cardiff Volunteering in support of its activities of £10,250. At the balance sheet date Cardiff Volunteering was owed £9,101 (2019 - £29,467) by the Charity and owed £25,995 (2019 - £24,780) to Cardiff Union Services Limited. The donation and year end balances have been eliminated on consolidation.

CARDIFF UNIVERSITY STUDENTS' UNION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

29. Subsidiary activities - Cardiff Union Services Limited

Cardiff Union Services Limited is a 100% subsidiary of the charity. It is registered in England & Wales, registered number 02287517. The principal activity of the Company is the promotion of the social and educational welfare of the students of Cardiff University by providing services and facilities to them.

At 31 July 2020, the company had net assets of £5,933,311. The profit and loss account information for the year ended 31 July 2020 is shown below.

	2020 £	2019 £
Turnover	3,795,928	4,516,928
Cost of sales - excluding staff costs	(1,487,343)	(1,677,533)
Staff costs	(2,604,601)	(2,435,483)
Administrative costs	(1,024,131)	(1,233,683)
Depreciation charges	(705,150)	(690,799)
Grant from Cardiff University	2,415,659	390,000
Interest receivable and similar income	5,171	7,532
Interest payable and similar charges	(1,727,942)	(133,503)
	<u>(1,332,409)</u>	<u>(1,256,541)</u>

At the balance sheet date Cardiff Union Services Limited owed £214,597 (2019 - £1,273,163) to the charity and was owed £25,995 (2019 - £24,780) by Cardiff Volunteering. These balances have been eliminated on consolidation.