

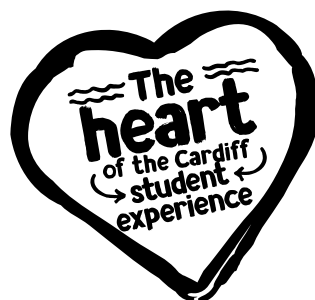
**CHARITY NUMBER: 1137163**

**Cardiff University Students' Union  
Undeb Myfyrwyr Prifysgol Caerdydd**

**REGISTERED NUMBER: 07328777**

**TRUSTEES  
REPORT AND  
FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2018**



# **CARDIFF UNIVERSITY STUDENTS' UNION**

## **(A Company Limited by Guarantee)**

### **CONTENTS**

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	Page
<b>Reference and Administrative Details of the Charity, its Trustees and Advisers</b>	1 - 2
<b>Trustees' Report</b>	3 - 11
<b>Independent Auditor's Report</b>	12 - 14
<b>Consolidated Statement of Financial Activities</b>	15
<b>Consolidated Balance Sheet</b>	16
<b>Union Balance Sheet</b>	17
<b>Consolidated Statement of Cash Flows</b>	18
<b>Notes to the Financial Statements</b>	19 - 34

# 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 2018

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<b>Trustees</b>	Fadhila Ali Mohammed Al Dhahouri, President (from 1 July 2018) <sup>1</sup> Hollie Cooke, President (to 1 July 2018) <sup>1</sup> Henri Page, VP Societies and Volunteering (appointed 1 July 2018) <sup>1</sup> Lamorna Hooker, VP Societies and Volunteering (resigned 1 July 2018) <sup>1</sup> Georgie Haynes, VP Sports & AU President (appointed 1 July 2018) <sup>1</sup> Tom Kelly, VP Sports & AU President (resigned 1 July 2018) <sup>1</sup> Jackie Yip, VP Education (appointed 1 July 2018) <sup>1</sup> Fadhila Ali Mohammed Al Dhahouri, VP Education (resigned 1 July 2018) <sup>1</sup> Jennifer Kent, VP Heath Park (appointed 1 July 2018) <sup>1</sup> Kirsty Hepburn, VP Heath Park (resigned 1 July 2018) <sup>1</sup> Jake Smith, VP Postgraduate <sup>1</sup> Amr Alwishah, VP Welfare and Campaigns (appointed 1 July 2018) <sup>1</sup> Nick Fox, VP Welfare and Campaigns (resigned 1 July 2018) <sup>1</sup> Emma Mattin, Non-portfolio (resigned 1 July 2018) <sup>2</sup> Lilly Ryan Harper, Non-portfolio (resigned 1 July 2018) <sup>2</sup> Alex Williams, Non-portfolio (resigned 1 July 2018) <sup>2</sup> Megan Perkins, Non-portfolio (appointed 1 July 2018) <sup>1</sup> Niall Yasseen, Non-portfolio (appointed 1 July 2018) <sup>1</sup> Lewis Rigley, Non-portfolio (appointed 1 September 2018) Gethin Lewis, Non-portfolio (resigned 21 August 2018) <sup>3</sup> Mark Leighfield, Non-portfolio (resigned 21 March 2018) <sup>3</sup> Richard Roberts CBE, Non-portfolio <sup>4</sup> Rakesh Aggarwal, Non-portfolio (resigned 23 March 2018) <sup>4</sup> Bethan Walsh, Non-portfolio <sup>4</sup> Denise Rich, Non-portfolio (appointed 15 May 2018) <sup>4</sup>
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<sup>1</sup> Sabbatical Trustees

<sup>2</sup> Student Trustees

<sup>3</sup> University Nominated Trustees

<sup>4</sup> External Trustees

<b>Company registered number</b>	07328777
<b>Charity registered number</b>	1137163
<b>Registered office</b>	Park Place Cardiff CF10 3QN
<b>Chief executive officer</b>	Daniel Palmer
<b>Independent auditor</b>	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**  
***FOR THE YEAR ENDED 31 JULY 2018***

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**Advisers (continued)**

**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 2018

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The Trustees present their annual report together with the audited financial statements of the group and the Union for the year 1 August 2017 to 31 July 2018. The Trustees confirm that the Annual Report and financial statements of the Union comply with the current statutory requirements, the requirements of the Union'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 (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

### **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**

During 2017/18, participation in Union activities rose to 61,126 (2016/17: 57,217) engagements from 23,222 (2016/17: 22,101) individual students across 22 participation areas. Overall student engagement has risen 6 years consecutively and 74% of Cardiff University students have a relationship with the Union that can be measured. Although not directly comparable to other students' unions, the Trustees believe that this level of engagement is amongst the highest within the UK.

Student satisfaction rose to 90% across the Union's internal and external survey results and the Union was ranked fourth in the UK in both the Times Higher Education Student Experience Survey and the WhatUni Student Choice Awards and within the top four in the Which? University guide.

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](http://www.cardiffstudents.com/about-cusu/governance/annual-impact-reports).

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 2017/18, nine of the targets were fully achieved, with four partially achieved and seven not achieved / deferred until 2018/19. Four of the targets not achieved, linked to the Centre for Student Life project, were not possible to progress due to delays in the overall project beyond the Union's control. Statements of performance against these targets are listed below.

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

## TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2018

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During 2017/18 an assessment of staff time and financial resources used to achieve these objectives was not undertaken.

**Satisfaction & Engagement** - Maintaining excellent satisfaction ratings with students, staff and the University, whilst maximising levels of engagement across all sections of the student community

1. To launch the Union's new strategy – including a Heath Park strategy - to students, staff and University stakeholders before 31 October 2017

Achieved

2. To implement the outcomes of the democracy review by 31 December 2017

Achieved

3. To achieve 90% satisfaction from undergraduates, 75% with PG taught and 85% with PG research students in the Welcome to Cardiff Survey by 28 February 2018

Achieved

4. To maintain 75% of both student and career staff recommending the Union as a great place to work whilst also achieving stage 2 Investors in Diversity status by 30 June 2018

Achieved

5. To develop a Centre for Student life communications plan by 31 December 2017

Not achieved

**Learning & Development** – Continually improve what the Union does whilst equipping students & staff with the skills and knowledge they need to achieve the Union's Vision

1. To establish development plans for all student facing services in response to the Union's equality impact data, focusing on developing higher engagement from underrepresented groups by 31 December 2017

Partially achieved

2. To establish an insight and research function, within the Union's new Communications Directorate, evidenced with the strategic plan for the Directorate, by 31 January 2018

Not achieved

3. To agree an updated Partnership Agreement with the University regarding Jobshop that meets the University's regulatory requirements and expectations for Centre for Student Life partnership working, by 30 June 2018

Achieved

4. To achieve Best Companies 1-star status and to be placed within the Sunday Times top-100 organisations to work for by 31 January 2018

Not achieved

5. To ensure that at least 50% of all career and student supervisor staff undertake personal development training during 2017/18 by 31 July 2018

Achieved

**Sustainability** – Achieving financial stability in the short term whilst also ensuring the long term, financial, strategic and reputational sustainability of the Union and having a least possible negative impact on the local community and the environment

1. To achieve the overall budgeted surplus and cash position for the Union's group of companies for 2017/2018, by 31 July 2018

Achieved

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

## TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2018

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2. To achieve the overall budgeted income position for CUSL by increasing profit and / or maximising the benefits of the Union's CSL mitigation agreement by 31 July 2018

Achieved

3. To develop and present a business case for the redevelopment of the Great Hall, Reception and the former Graduate Centre by 28 February 2018

Not achieved

4. To complete the final year of Operation 200 and establish an ongoing efficiency review programme by 31 March 2018

Achieved

5. To achieve funding for a comprehensive maintenance package for the Union building and to achieve the year one targets by 31 July 2018

Not achieved

**Quality & Assurance** - Ensuring that the Union's activities are underpinned by quality systems, with easily understandable procedures which are well followed and regularly audited

1. To agree a renewed partnership agreement with the University, including a shared vision for the Centre for Student Life by 28 February 2018

Not achieved

2. To complete a governance audit and enact the proposed changes by 31 March 2018

Partially achieved

3. To establish a new Tendering Policy and to tend at least 5 of the top 10 (out of contract) Union suppliers by 31 July 2018

Partially achieved

4. To review and update the Health and Safety Management System, including an updated audit programme by 28th Feb 2018

Partially achieved

5. To ensure that the Union has prominent bilingual signage and branding on Park Place, priority use of the CSL terrace and an extended lease for the Union building by 28 February 2018

Not achieved

### **Financial review**

The Charity Group's total income amounted to £9,573,491 with total expenditure of £9,311,448 in the year. Overall this resulted in a net income of £262,043. This includes restricted grant income of £30,883 and expenditure of £9,087.

At 31 July 2018 the Union Group's free reserves (i.e. unrestricted funds not represented by fixed assets) amounted to £740,566 (31 July 2017: £47,758) and the Trustees are satisfied that the Union has a sound financial base from which to pursue its objectives and activities. In addition a further £21,796 (31 July 2017: £0) was held in restricted funds.

The Union's trading subsidiary, CUSL, continued to grow its income in 2018 with turnover of £4,500,911 (31 July 2017: £3,975,803). Overall the trading company made an operating profit of £323,781 (31 July 2017: £123,574), after charging depreciation of £683,211 (31 July 2017: £685,468), with £602,218 arising from the depreciation of the Union building. During the year the company's pension liability fell to £4,407,704 (31 July 2017: £4,427,963) after deficit contribution payments were made to the scheme and unwinding of the discount.

# CARDIFF UNIVERSITY STUDENTS' UNION

## (A Company Limited by Guarantee)

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2018

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The deficit 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 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 2033.

#### 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 of £250,000 from its consolidated activities annually 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 £175,683 (31 July 2017: £75,195) and £740,566 (31 July 2017: £-47,758) when consolidated.

#### 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.

#### 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.

#### 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 and three year forecasting in place and the Union has achieved its budgeted surpluses for the past two years. Operation 200 launched in January 2016 with incremental savings made up to July 2018. New efficiency programme to be launched in 2018/19.



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

## TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2018

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.
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.
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.

### 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 2017/18 the Union received a grant of £2,925,000 (2016/17: £2,806,000). 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

#### 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).

# **CARDIFF UNIVERSITY STUDENTS' UNION**

## **(A Company Limited by Guarantee)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 JULY 2018**

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#### **Method 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;
- 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
- Health, Safety, Environment & 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 introduced to the activities of the Union by the existing Board, the Chief Executive and governance support 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.

#### **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 2017/18 they were:

#### **Permanent members**

Chief Executive	Daniel Palmer
Deputy Chief Executive	Ben Eagle
Director of Engagement & Participation	Steve Wilford
Director of Communications	Raechel Matthey (from 11 June 2018)
Head of Finance	Christine Akers

# **CARDIFF UNIVERSITY STUDENTS' UNION**

## **(A Company Limited by Guarantee)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 JULY 2018**

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#### **Fixed Term members**

Head of Marketing & Communications	Laura Som (to 11 June 2018)
Head of Sales & Customer Service	Chloe Girdler (to 11 June 2018)

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 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.

#### **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.

#### **Affiliations**

The Union is affiliated to the National Union of Students (NUS) and British Universities and Colleges Sport (BUCS) and paid affiliation fees of £39,476 and £16,368 respectively in 2017/18. Both affiliations were ratified by the Student Members' Annual Members Meeting on 23 November 2017. The Union participates in the NUS Services purchasing consortium and receives trading support and other benefits including income from NUS Extra card sales. In 2017/18 the Union's net income from NUS Extra card sales was £27,683.

#### **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 2017/18 the Union allocated grants to these groups totalling £65,602 (31 July 2017: £66,291).

#### **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.

#### **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

# CARDIFF UNIVERSITY STUDENTS' UNION

## (A Company Limited by Guarantee)

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2018

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Over the next three years the Trustees recognise that the Union's activities will likely be 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.

The Trustees have set the following top 20 operational targets for 2018/19:

**Satisfaction & Engagement** - Maintaining excellent satisfaction ratings with students, staff and the University, whilst maximising levels of engagement across all sections of the student community

1. To establish all input elements of the strategic plan 2018-21 into the Union planning cycle by 30 June 2019.
2. To maintain at least 87% combined overall student satisfaction within the Welcome to Cardiff Survey and 90% in the THE Student Experience Survey by 30 April 2019.
3. At least 70% of students will agree that the Union represents their academic interests via the NSS, by 31 July 2019.
4. To ensure that at least 74% of students engage with the Union during 2018/19 with over 80% of graduating students having engaged with the Union before graduation by 31 July 2019.
5. The have developed and launched a Heath Park students strategy including more staff support by 31 December 2018.

**Learning & Development** – Continually improve what the Union does whilst equipping students & staff with the skills and knowledge they need to achieve the Union's Vision

1. All Union departments will have developed a department plan in support of the Union's strategy 2018-21 by 31 December 2018.
2. To achieve Best Companies 1-star status and to be placed within the Sunday Times top-100 organisations to work for by 31 January 2019.
3. To have established the top priorities for students studying at Newport and Central Square and to have an action plan for how to meet them by 31 March 2019.
4. To develop and launch a communications and relationships plan by 31 January 2019.
5. To launch the 'My Strategy' development tool and ensure that all career staff have their own personal plans by 31 October 2018.

**Sustainability** – Achieving financial stability in the short term whilst also ensuring the long term, financial, strategic and reputational sustainability of the Union whilst having the least possible negative impact on the local community and the environment

1. To achieve the overall budgeted surplus and cash position for the Union's group of companies for 2018/2019, by 31 July 2019.
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 2019.
3. To agree funding and progress at least two business cases in relation to Union building improvements by 31 March 2019.
4. To have created and launched a resource efficiency programme and achieved the savings identified in the 2018/19 budget by 31 January 2019.
5. To review the long-term sustainability of our current surplus generating activities and to launch a new or renewed income-generating activity by 31 July 2019.

**Quality & Assurance** - Ensuring that the Union's activities are underpinned by quality systems, with easily understandable procedures which are well followed and regularly audited

1. To complete Part A of the NUS QSU scheme and to develop a plan to re-achieve Part B in 2019/20 by 31

# **CARDIFF UNIVERSITY STUDENTS' UNION**

## **(A Company Limited by Guarantee)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 JULY 2018**

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July 2019.

2. To have benchmarked the Union's governance performance against the updated charity code and the SU governance code and to have a plan in place for improvement by 31 January 2019.

3. 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 2019.

4. To review and audit all health and safety procedures including focused development on events and entertainment safety by 30 June 2019.

5. To have agreed a new relationship agreement and financial memorandum with Cardiff University by 31 January 2019.

#### **Trustees' responsibilities statement**

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

Company law requires the Trustees to prepare financial statements for each financial year. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group 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.

This report was approved by the Trustees, on 15 October 2018 and signed on their behalf by:

**Fadhila Ali Mohammed Al Dhahouri**  
**President 2018/19 and Chair of the Board of**  
**Trustees**

# **CARDIFF UNIVERSITY STUDENTS' UNION**

## **(A Company Limited by Guarantee)**

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

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#### **Opinion**

We have audited the financial statements of Cardiff University Students' Union (the 'Union') and its subsidiaries (the 'Group') for the year ended 31 July 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Union Balance Sheets, the 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 Group's and the Union's affairs as at 31 July 2018 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 Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and 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.

#### **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.

# **CARDIFF UNIVERSITY STUDENTS' UNION**

## **(A Company Limited by Guarantee)**

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

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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 Trustees' Report, which includes the Strategic Report and the Directors' Report for the purposes of company law, 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 included within 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 Group and the Union and its environment obtained in the course of the audit, we have not identified material misstatements in 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 Union's 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 MEMBERS OF CARDIFF UNIVERSITY STUDENTS' UNION**

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### **Responsibilities of Directors**

As explained more fully in the Trustees' responsibilities statement set out on page 11, the Trustees 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 groups' and 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 Trustees intend to liquidate the Group and 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](http://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:



**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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>					
Donations and legacies	2	2,925,000	30,883	2,955,883	2,806,000
Charitable activities	4	2,115,910	-	2,115,910	1,856,246
Other trading activities		4,500,911	-	4,500,911	3,975,803
Investments	3	787	-	787	424
<b>Total income</b>		<u>9,542,608</u>	<u>30,883</u>	<u>9,573,491</u>	<u>8,638,473</u>
<b>Expenditure on:</b>					
Raising funds		6,064,629	-	6,064,629	7,657,086
Charitable activities	5	3,237,732	9,087	3,246,819	2,946,177
<b>Total expenditure</b>		<u>9,302,361</u>	<u>9,087</u>	<u>9,311,448</u>	<u>10,603,263</u>
<b>Net income / (expenditure)</b>		240,247	21,796	262,043	(1,964,790)
<b>Net movement in funds</b>		240,247	21,796	262,043	(1,964,790)
<b>Reconciliation of funds:</b>					
Total funds brought forward		8,519,492	-	8,519,492	10,484,282
<b>Total funds carried forward</b>		<u>8,759,739</u>	<u>21,796</u>	<u>8,781,535</u>	<u>8,519,492</u>

The notes on pages 19 to 34 form part of these financial statements.

# CARDIFF UNIVERSITY STUDENTS' UNION

Registered number: 07328777

(A Company Limited by Guarantee)

## CONSOLIDATED BALANCE SHEET AS AT 31 JULY 2018

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	11		12,426,877		12,995,212
Investments	12		73,563		73,563
			<u>12,500,440</u>		<u>13,068,775</u>
<b>Current assets</b>					
Stocks	13	39,936		41,387	
Debtors	14	539,582		441,917	
Cash at bank and in hand		1,174,851		469,186	
		<u>1,754,369</u>		<u>952,490</u>	
<b>Creditors:</b> amounts falling due within one year	15	(1,065,570)		(1,073,810)	
			<u>688,799</u>		<u>(121,320)</u>
<b>Net current assets/(liabilities)</b>					
			<u>13,189,239</u>		<u>12,947,455</u>
<b>Total assets less current liabilities</b>					
Provisions for Liabilities	16	(4,407,704)		(4,427,963)	
			<u>8,781,535</u>		<u>8,519,492</u>
<b>Net assets</b>					
<b>Charity Funds</b>					
Restricted funds	17		21,796		-
Unrestricted funds	17		8,759,739		8,519,492
			<u>8,781,535</u>		<u>8,519,492</u>
<b>Total funds</b>					

The financial statements were approved and authorised for issue by the Trustees on 15 October 2018 and signed on their behalf, by:

**Fadhila Ali Mohammed Al Dhahouri**  
President (2018/19 and Chair of the Board of Trustees)

The notes on pages 19 to 34 form part of these financial statements.

# CARDIFF UNIVERSITY STUDENTS' UNION

Registered number: 07328777

(A Company Limited by Guarantee)

## UNION BALANCE SHEET AS AT 31 JULY 2018

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	11		35,207		30,791
Investments	12		2,000		2,000
			<u>37,207</u>		<u>32,791</u>
<b>Current assets</b>					
Debtors	14	402,357		361,474	
Cash at bank		228,268		160,802	
		<u>630,625</u>		<u>522,276</u>	
<b>Creditors:</b> amounts falling due within one year	15	(435,146)		(449,081)	
<b>Net current assets</b>			<u>195,479</u>		<u>73,195</u>
<b>Net assets</b>			<u>232,686</u>		<u>105,986</u>
<b>Charity Funds</b>					
Restricted funds			21,796		-
Unrestricted funds			210,890		105,986
			<u>232,686</u>		<u>105,986</u>
<b>Total funds</b>			<u>232,686</u>		<u>105,986</u>

The financial statements were approved and authorised for issue by the Trustees on 15 October 2018 and signed on their behalf, by:

**Fadhila Ali Mohammed Al Dhahouri**  
President 2018/19 and Chair of the Board of  
Trustees

The notes on pages 19 to 34 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 2018**

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	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	828,361	253,815
		<hr/>	<hr/>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		787	418
Purchase of tangible fixed assets		(123,483)	(52,789)
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		(122,696)	(52,371)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		705,665	201,444
Cash and cash equivalents brought forward		469,186	267,742
		<hr/>	<hr/>
<b>Cash and cash equivalents carried forward</b>	20	1,174,851	469,186
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 19 to 34 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 2018**

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#### **1. Accounting Policies**

##### **1.1 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.

##### **1.2 Basis of preparation of financial statements**

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) (effective 1 January 2015) - (Charities SORP (FRS 102)), 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 2018 and the comparative information relates to the year ended 31 July 2017.

The Statement of Financial Activities (SOFA) and 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 £126,700 (2017 - £105,640).

##### **1.3 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.

##### **1.4 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 Union and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Union 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.

# CARDIFF UNIVERSITY STUDENTS' UNION

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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#### 1. Accounting Policies (continued)

##### 1.5 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.

##### 1.6 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.

##### 1.7 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.

# CARDIFF UNIVERSITY STUDENTS' UNION

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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#### 1. Accounting Policies (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 a straight line basis as follows:

L/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

#### 1.8 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 fair 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 shown in the heading 'Gains/(losses) on investments' in the 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.

#### 1.9 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.

#### 1.10 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.

#### 1.11 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.

#### 1.12 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.

# CARDIFF UNIVERSITY STUDENTS' UNION

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

#### 1. Accounting Policies (continued)

##### 1.13 Liabilities and provisions

Liabilities 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. 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.

##### 1.14 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.

##### 1.15 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. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Block grant	2,925,000	-	2,925,000	2,806,000
Cardiff University	-	21,283	21,283	-
Big Lottery Fund	-	9,600	9,600	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	2,925,000	30,883	2,955,883	2,806,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Total 2017</b>	<b>2,806,000</b>	<b>-</b>	<b>2,806,000</b>	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

**3. Investment income**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest received	787	-	787	424
<b>Total 2017</b>	<b>424</b>	<b>-</b>	<b>424</b>	

**4. Income from charitable activities**

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Athletic Union income	101,073	101,073	88,121
Societies income	37,879	37,879	34,757
Hire of vehicles for student use	60,980	60,980	59,114
Student development income	9,069	9,069	6,410
Give it a Go programme income	71,533	71,533	70,015
Jobshop	1,740,017	1,740,017	1,527,880
Miscellaneous	77,922	77,922	57,789
Income from Cardiff Volunteering	17,437	17,437	12,160
	<u>2,115,910</u>	<u>2,115,910</u>	<u>1,856,246</u>
<b>Total 2017</b>	<b>1,856,246</b>	<b>1,856,246</b>	

**5. Analysis of expenditure on charitable activities**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Charitable activities	3,237,732	9,087	3,246,819	2,946,177
<b>Total 2017</b>	<b>2,946,177</b>	<b>-</b>	<b>2,946,177</b>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

**6. Direct costs**

	<b>Charitable activities £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Direct costs of activities	15,956	15,956	6,349
Direct costs of dealing with AU and Societies	650	650	2,291
Give it a Go costs	51,139	51,139	50,429
Transport costs	25,876	25,876	31,378
Student development costs	5,421	5,421	7,970
Events costs	25,673	25,673	22,186
Jobshop costs	101	101	-
Staff welfare	709	709	-
Building and equipment costs	189	189	-
Expenditure from Cardiff Volunteering	11,922	11,922	14,482
Wages and salaries	1,605,057	1,605,057	1,397,937
	<u>1,742,693</u>	<u>1,742,693</u>	<u>1,533,022</u>
<b>Total 2017</b>	<u>1,533,022</u>	<u>1,533,022</u>	

**7. Support costs**

	<b>Charitable activities £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Staff welfare	18,643	18,643	14,942
Building and equipment costs	12,595	12,595	9,761
Marketing costs	22,833	22,833	17,983
Motor and travel costs	27,240	27,240	31,116
Communications	32,897	32,897	36,394
Corporate and administrative costs	153,385	153,385	143,346
Depreciation	8,174	8,174	5,932
Student activities	326,294	326,294	313,625
Agency staff costs	32,434	32,434	28,642
Wages and salaries	869,631	869,631	811,414
	<u>1,504,126</u>	<u>1,504,126</u>	<u>1,413,155</u>
<b>Total 2017</b>	<u>1,413,155</u>	<u>1,413,155</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

**8. Net income/(expenditure)**

This is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charitable group	691,385	607,892
Operating leases	56,545	51,059
	<u>747,930</u>	<u>658,951</u>

**9. Auditors' remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Fees payable to the Union's auditor and its associates for the audit of the Union's annual accounts	5,500	12,850
Fees payable to the Union's auditor and its associates in respect of:		
The auditing of accounts of associates of the Union	7,600	-
Taxation compliance services	1,250	525
All other non-audit services not included above	3,650	550
	<u>18,000</u>	<u>13,925</u>

**10. Staff costs**

Staff costs were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,542,630	4,303,254
Social security costs	249,136	240,999
Other pension costs	61,513	58,333
	<u>4,853,279</u>	<u>4,602,586</u>

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Cardiff University Students' Union - Sabbatical officers	7	7
Cardiff University Students' Union - Jobshop	675	601
Cardiff University Students' Union - Administrative	50	43
Cardiff Union Services Limited - Cost of sales	192	165
Cardiff Union Services Limited - Administrative	71	70
	<u>995</u>	<u>886</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

**10. Staff costs (continued)**

The number of higher paid employees was:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	0	1

Termination payments totalling £7,683 (2017: £107,510) 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 5 (2017:6) key management personnel received employee benefits, inclusive of employer pension contributions and termination payments, totalling £256,998 (2017: 357,795).

**11. Tangible fixed assets**

<b>Group</b>	<b>L/Term Leasehold Property</b>	<b>Leasehold improvements</b>	<b>Office equipment</b>	<b>Computer equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 August 2017	14,000,000	2,787	1,363,096	421,732	15,787,615
Additions	-	32,721	72,640	18,122	123,483
Disposals	-	-	(1,130)	-	(1,130)
At 31 July 2018	<u>14,000,000</u>	<u>35,508</u>	<u>1,434,606</u>	<u>439,854</u>	<u>15,909,968</u>
<b>Depreciation</b>					
At 1 August 2017	1,202,862	-	1,212,603	376,938	2,792,403
Charge for the year	602,218	1,020	60,092	28,055	691,385
On disposals	-	-	(697)	-	(697)
At 31 July 2018	<u>1,805,080</u>	<u>1,020</u>	<u>1,271,998</u>	<u>404,993</u>	<u>3,483,091</u>
<b>Net book value</b>					
At 31 July 2018	<u><u>12,194,920</u></u>	<u><u>34,488</u></u>	<u><u>162,608</u></u>	<u><u>34,861</u></u>	<u><u>12,426,877</u></u>
At 31 July 2017	<u><u>12,797,138</u></u>	<u><u>2,787</u></u>	<u><u>150,493</u></u>	<u><u>44,794</u></u>	<u><u>12,995,212</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

<b>Union</b>	<b>Office equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 August 2017	37,866	360	38,226
Additions	7,947	4,643	12,590
At 31 July 2018	<u>45,813</u>	<u>5,003</u>	<u>50,816</u>
<b>Depreciation</b>			
At 1 August 2017	7,215	220	7,435
Charge for the year	7,925	249	8,174
At 31 July 2018	<u>15,140</u>	<u>469</u>	<u>15,609</u>
<b>Net book value</b>			
At 31 July 2018	<u>30,673</u>	<u>4,534</u>	<u>35,207</u>
At 31 July 2017	<u>30,651</u>	<u>140</u>	<u>30,791</u>

**12. Fixed asset investments**

<b>Group</b>	<b>Other investments £</b>
<b>Market value</b>	
At 1 August 2017 and 31 July 2018	<u>73,563</u>

**Group investments comprise:**

	<b>31 July 2018 £</b>	<b>31 July 2017 £</b>
Welsh Rugby Union Debentures	62,000	62,000
NUS Credit guarantee deposit	11,563	11,563
	<u>73,563</u>	<u>73,563</u>

<b>Union</b>	<b>Other investments £</b>
<b>Market value</b>	
At 1 August 2017 and 31 July 2018	<u>2,000</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

**13. Stocks**

	<b>Group</b>		<b>Union</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Goods for resale	39,936	41,387	-	-

**14. Debtors**

	<b>Group</b>		<b>Union</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	409,696	331,138	291,735	195,751
Amounts owed by group undertakings	-	-	20,777	105,590
Other debtors	71,286	57,286	63,742	53,160
Prepayments and accrued income	58,600	53,493	26,103	6,973
	<b>539,582</b>	<b>441,917</b>	<b>402,357</b>	<b>361,474</b>

**15. Creditors: Amounts falling due within one year**

	<b>Group</b>		<b>Union</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	97,586	143,765	9,041	17,083
Amounts owed to group undertakings	-	-	19,967	10,122
Loan from Cardiff University	-	100,000	-	100,000
Other taxation and social security	146,192	104,783	25,137	2,424
Other creditors	362,711	346,652	321,908	258,734
Accruals and deferred income	459,081	378,610	59,093	60,718
	<b>1,065,570</b>	<b>1,073,810</b>	<b>435,146</b>	<b>449,081</b>

**16. Net pension liability**

<b>Group</b>	<b>Unrestricted total fund 2018</b>
	<b>£</b>
At 1 August 2017	4,427,963
Payments to SUSS	(224,757)
Discount unwind	204,498
At 31 July 2018	<b>4,407,704</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

17. Statement of funds

Statement of funds - current year

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2018 £
<b>Designated funds</b>					
Fixed Assets Fund	-	-	(691,385)	13,118,262	12,426,877
Pension Reserve	-	-	(204,498)	(4,203,206)	(4,407,704)
	<u>-</u>	<u>-</u>	<u>(895,883)</u>	<u>8,915,056</u>	<u>8,019,173</u>
<b>General funds</b>					
General Funds (the Union)	75,195	3,327,723	(3,214,647)	(12,588)	175,683
Cardiff Volunteering	11,310	30,193	(14,912)	-	26,591
Cardiff Union Services Limited	8,432,987	6,184,692	(5,176,919)	(8,902,468)	538,292
	<u>8,519,492</u>	<u>9,542,608</u>	<u>(8,406,478)</u>	<u>(8,915,056)</u>	<u>740,566</u>
Total Unrestricted funds	<u>8,519,492</u>	<u>9,542,608</u>	<u>(9,302,361)</u>	<u>-</u>	<u>8,759,739</u>
Restricted Funds	<u>-</u>	<u>30,883</u>	<u>(9,087)</u>	<u>-</u>	<u>21,796</u>
Total of funds	<u>8,519,492</u>	<u>9,573,491</u>	<u>(9,311,448)</u>	<u>-</u>	<u>8,781,535</u>

Description of funds

Designated funds

**Fixed Assets Fund** - during the year 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** - during the year 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.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

**17. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 August 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2017 £
<b>General funds</b>					
General Funds (the Union)	10,484,282	8,638,473	(10,603,263)	-	8,519,492
	<u>10,484,282</u>	<u>8,638,473</u>	<u>(10,603,263)</u>	<u>-</u>	<u>8,519,492</u>

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	12,426,876	-	12,426,876
Fixed asset investments	73,563	-	73,563
Current assets	1,732,572	21,796	1,754,368
Creditors due within one year	(1,065,568)	-	(1,065,568)
Provisions for liabilities and charges	(4,407,704)	-	(4,407,704)
	<u>8,759,739</u>	<u>21,796</u>	<u>8,781,535</u>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	12,995,212	-	12,995,212
Fixed asset investments	73,563	-	73,563
Current assets	952,490	-	952,490
Creditors due within one year	(1,073,810)	-	(1,073,810)
Provisions for liabilities and charges	(4,427,963)	-	(4,427,963)
	<u>8,519,492</u>	<u>-</u>	<u>8,519,492</u>



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

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

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) for the year (as per Statement of Financial Activities)	262,043	(1,964,790)
<b>Adjustment for:</b>		
Depreciation charges	691,385	691,399
Dividends, interest and rents from investments	(787)	(418)
Loss on the sale of fixed assets	433	-
Decrease in stocks	1,451	33,727
(Increase)/decrease in debtors	(97,665)	117,823
Decrease in creditors	(8,239)	(388,518)
(Decrease)/increase in net pension liability	(20,260)	1,764,592
<b>Net cash provided by operating activities</b>	<b>828,361</b>	<b>253,815</b>

**20. Analysis of cash and cash equivalents**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash in hand	1,174,851	469,186
Total	1,174,851	469,186

**21. Capital commitments**

At 31 July 2018 the group and Union had capital commitments as follows:

	<b>Group</b>		<b>Union</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Contracted for but not provided in these financial statements	33,639	-	-	-

**22. 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 £61,513 (2017: £58,144). Contributions totalling £12,101 (2017: £10,704) were payable to the fund at the balance sheet date and are included in creditors.

# CARDIFF UNIVERSITY STUDENTS' UNION

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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#### 22. Pension commitments (continued)

##### 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.

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 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% max 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 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 2018 amount to £224,757 (2017: £193,116).

At the balance sheet date the Company had commitments to pay deficit funding contributions of £19,544 per month, increasing by 5% at October 2018. This monthly payment is scheduled to increase by 5% per annum at October each year until 30 June 2033.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

**23. Operating lease commitments**

At 31 July 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

<b>Group</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts payable:</b>		
Within 1 year	58,066	54,500
Between 1 and 5 years	126,003	148,955
After more than 5 years	-	1,544
	<hr/>	<hr/>
Total	184,069	204,999
	<hr/> <hr/>	<hr/> <hr/>

At 31 July 2018 the Union had annual commitments under non-cancellable operating leases as follows:

<b>Union</b>		
<b>Amounts payable:</b>		
Within 1 year	53,113	46,692
Between 1 and 5 years	112,382	123,958
After more than 5 years	-	1,544
	<hr/>	<hr/>
Total	165,495	172,194
	<hr/> <hr/>	<hr/> <hr/>

**24. Related party transactions**

During the year under review the group's sabbatical trustees and key management personnel were reimbursed expenses and had expenses paid on their behalf totalling £12,071 (2017: £11,919).

As authorised under section 6 of the Articles of Association, a total of £154,717 (2017: £150,090) was paid in remuneration to 12 (2017: 13) sabbatical officer trustees as follows:

	<b>Gross Pay</b>	<b>2018</b>
	<b>£</b>	<b>Employer pension contribution</b>
		<b>£</b>
H Cooke	19,871	158
N Fox	19,417	-
J Smith	21,176	178
F Al Dhahouri	22,279	154
T Kelly	19,417	153
L Hooker	19,417	153
K Hepburn	19,417	153
J Kent	2,597	-
H Page	2,597	-
J Yip	2,597	32
A Alwishah	2,597	-
G Haynes	2,597	32
	<hr/>	<hr/>
	153,979	1,013
	<hr/> <hr/>	<hr/> <hr/>

# CARDIFF UNIVERSITY STUDENTS' UNION

## (A Company Limited by Guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

#### 25. Controlling party

The Charity was controlled throughout the year by its Trustees.

#### 26. 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 2018, the company had net assets of £26,591 and it made a surplus for the year of £15,281.

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 - £10,122) by the Charity and owed £12,596 (2017 - £9,754) to Cardiff Union Services Limited. The donation and year end balances have been eliminated on consolidation.

#### 27. 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 2018, the company had net assets of £8,522,260. The profit and loss account information for the year ended 31 July 2018 is shown below.

	2018 £	2017 £
Turnover	4,500,911	3,975,803
Cost of sales - excluding staff costs	(1,746,796)	(1,504,626)
Staff costs	(2,378,591)	(2,393,236)
Administrative costs	(1,051,532)	(1,116,048)
Depreciation charges	(683,211)	(685,468)
Grant from Cardiff University	1,683,000	1,600,000
Interest receivable and similar income	781	418
Interest payable and similar charges	(204,498)	(1,957,708)
	<u>120,064</u>	<u>(2,080,865)</u>

At the balance sheet date Cardiff Union Services Limited owed £20,777 (2017 - £1,783,502) to the charity and was owed £12,596 (2017 - £9,754) by Cardiff Volunteering. These balances have been eliminated on consolidation.