

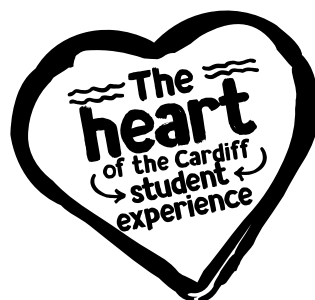
CHARITY NUMBER: 1137163

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

REGISTERED NUMBER: 07328777

**TRUSTEES
REPORT AND
FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2019



CARDIFF UNIVERSITY STUDENTS' UNION

(A Company Limited by Guarantee)

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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 2019

Trustees	Jackie Yip, President (appointed 1 July 2019) ¹ Fadhila Ali Mohammed Al Dhahouri, President (resigned 30 June 2019) ¹ Orla Tarn, VP Societies and Volunteering (appointed 1 July 2019) ¹ Henri Page, VP Societies and Volunteering (resigned 30 June 2019) ¹ Judith Pickett, VP Sports & AU President (appointed 1 July 2019) ¹ Georgie Haynes, VP Sports & AU President (resigned 30 June 2019) ¹ Tomos Evans, VP Education (appointed 1 July 2019) ¹ Jackie Yip, VP Education (resigned 30 June 2019) ¹ Hembafan Ortom, VP Heath Park (appointed 1 July 2019) ¹ Jennifer Kent, VP Heath Park (resigned 30 June 2019) ¹ Nicholas Fox, VP Postgraduate (appointed 1 July 2019) ¹ Jake Smith, VP Postgraduate (resigned 30 June 2019) ¹ James Wareham, VP Welfare and Campaigns (appointed 1 July 2019) ¹ Amr Alwishah, VP Welfare and Campaigns (resigned 30 June 2019) ¹ Megan Perkins, Non-portfolio (resigned 30 June 2019) ² Niall Yasseen, Non-portfolio (resigned 30 June 2019) ² Lewis Rigley, Non-portfolio (resigned 30 June 2019) ² Ryan Singh, Non-portfolio (appointed 1 July 2019) ² Gabriella Gropper, Non-portfolio (appointed 1 July 2019) ² Daniel Onafuwa, Non-portfolio (appointed 1 July 2019) ² Gethin Lewis, Non-portfolio (resigned 21 August 2018) ³ Rameshwar Singh, Non-portfolio (appointed 13 November 2018) ³ Jayne Sadgrove, Non-portfolio (appointed 15 May 2019) ³ Richard Roberts CBE, Non-portfolio ⁴ Bethan Walsh, Non-portfolio 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
FOR THE YEAR ENDED 31 JULY 2019

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 2019

The Trustees present their annual report together with the audited financial statements of the group and the Union for the year 1 August 2018 to 31 July 2019. 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 in line with 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 2018/19, participation in Union activities rose to 62,394 (2017/18: 61,126) engagements from 22,396 (2017/18: 23,222) individual students across 20 (2017/18: 21) participation areas. In the year we stopped counting NUS Extra card sales, so when compared on a like-for-like basis the number of individuals engaged rose by 207. Student engagement has risen 7 years consecutively and 71% 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 UK students' unions.

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 the Union has some variability in its satisfaction scores and national rankings with the highlight being that the Union ranks 3rd in the UK within two surveys for the first time. However, the Union fell out of the Which? University Guide for best students' unions for the first time by not placing within their top 7. A full breakdown of scores / ranks is listed below. All rankings are:

	2017	2018	2019
Welcome to Cardiff Survey (internal)	90% UG 83% PGT 70% PGR	87% UG, 81% PGT 75% PGR	

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

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2019

	2017	2018	2019
National Student Survey	2 nd in the Russell Group	3 rd in the Russell Group	3 rd in the Russell Group
Times Higher Education Student Experience Survey	4 th	4 th	
WhatUni Student Choice Awards	(outside top 3)	4 th	3 rd
Which? University Guide	'Top 4'	'Top 6'	(outside top 7)
Student Hut			3 rd
Student Crowd		5 th	

During the year the Union won the NUS Wales Students' Union of the Year Award and was ranked within the Sunday Times Top 100 Not For Profit Companies to Work For. The Union also ranked within the National Centre for Diversity's Top 100 Index.

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/.

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 2018/19, fourteen of the targets were fully achieved, with four partially achieved and one not achieved / deferred until 2019/20. One target regarding the Quality Students' Union scheme was not pursued when the Union ceased participation in late 2018. Statements of performance against these targets is listed below. During 2018/19 the Union did not undertake an assessment of staff time and financial resources used to achieve these objectives.

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 30th June 2019.
Achieved
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 30th April 2019.
Partially achieved
3. At least 70% of students will agree that the Union represents their academic interests via the NSS, by 31st July 2019.
Not achieved
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 31st July 2019.
Achieved
5. To have developed and launched a Heath Park students strategy including more staff support by 31st December 2018.
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. All Union departments will have developed a department plan in support of the Union's strategy 2018-21 by 31st December 2018.

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

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2019

Achieved

2. To achieve Best Companies 1-star status and to be placed within the Sunday Times top-100 organisations to work for by 31st Jan 2019.

Partially achieved

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 31st March 2019.

Partially achieved

4. To develop and launch a communications and relationships plan by 31st January 2019.

Achieved

5. To launch the 'My Strategy' development tool and ensure that all career staff have their own personal plans by 31st October 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 2018/2019, by 31st July 2019.

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 31st July 2019.

Achieved

3. To agree funding and progress at least two business cases in relation to Union building improvements by 31st March 2019.

Achieved

4. To have created and launched a resource efficiency programme and achieved the savings identified in the 2018/19 budget by 31st January 2019.

Achieved

5. To review the long-term sustainability of our current surplus generating activities and to launch a new or renewed income-generating activity by 31st July 2019.

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

Target not pursued

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 31st January 2019.

Partially achieved

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 31st July 2019.

Achieved

CARDIFF UNIVERSITY STUDENTS' UNION

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2019

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

Achieved

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

Achieved

Financial review

The Charity Group's total income amounted to £9,934,887 (2018: £9,573,491) with total expenditure of £9,931,722 (2018: £9,311,448) in the year. Overall this resulted in a net income of £3,165 (2018: £262,043). This includes restricted grant income of £16,781 and expenditure of £13,862.

At 31 July 2019 the Union Group's free reserves (i.e. unrestricted funds not represented by fixed assets) amounted to £1,008,172 (2018: £740,566) 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 £24,715 (2018: £21,796) was held in restricted funds.

The Union's trading subsidiary, CUSL, continued to grow its income in 2019 with turnover of £4,516,928 (2018: £4,500,911) despite a challenging environment. Overall the trading company made an operating deficit of £-1,256,541 (2018: £323,781), following a significant reduction in grant income. The reduction corrects overpayments made since the Union's companies were consolidated in 2015. During the year the Company's pension liability fell to £4,297,886 (2018: £4,407,704) after deficit contribution payments and unwinding of the discount. 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 future needs, should funding not be available from the principle funding sources. 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 £1,421,355 (2018: £175,683) and £1,008,172 (2018: £740,566) 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

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

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2019

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 forecasting is in place and the Union has achieved its budgeted surpluses for the past three years. Surplus budgets will continue to be planned and are realistic within the current environmental context.
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.
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.

The terms on which the United Kingdom may withdraw from the European Union are not clear and various scenarios, including a no-deal exit, an extended period of negotiations or the revoking of Article 50 remain possible at this time.

The Trustees do not consider there to be any specific risks to the Union in the short term other than those that will affect the wider UK business environment as the Union does not directly trade with the EU. However, there may be significant impacts in the medium to long term which will be evaluated once the Brexit outcome is known.

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 2018/19 the Union received a grant of £2,925,000 (2017/18: £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.

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

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2019

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).

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 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 are 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.

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

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2019

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 annually 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 2018/19 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 (from 13 th May 2019)

Associate members

Head of Finance	Christine Akers (to 12 th May 2019)
Head of Lettings	Eoghan Conway (from 15 th January 2019)

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 110 permanent staff and a further 300 occasional staff are employed for the sake of continuity in the management of its activities. All staff are accountable to the Chief Executive for the performance of their duties, via a line management structure of delegated authority.

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 £49,737 and £17,077 respectively in 2018/19. Both affiliations were ratified by the Student Members' Annual Members Meeting on 22nd November 2018. 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 2018/19 the Union's net income from Totum card sales was £24,301.

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 2018/19 the Union allocated grants to these groups totalling £60,622 (2018: £65,602).

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,

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

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2019

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.

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.

The Trustees have set the following top 20 operational targets for 2019/20:

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

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

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2019

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

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 ensure that 90% of all senior staff and heads of department have undertaken coaching & mentoring training by 31st July 2020.
2. To achieve Best Companies 1-star status and maintain our place within the Sunday Times top-100 organisations to work for by 31st Jan 2020.
3. To have established engagement plans for Newport and Central Square students in line with the 2018-21 strategy by 31st March 2020.
4. To have reviewed the Union's engagement monitoring and CRM software and approve a new strategic direction by 31st Dec 2019.
5. To develop and implement a student staff and student volunteer policy, including HR support, wellbeing, safety, feedback, learning and development by 31st March 2020.

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 2019/2020, by 31st July 2020.
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 31st July 2020.
3. To complete phase 1 of the Great Hall development by 18th September 2019 and gain approval and secure funding for phase 2 by 31st May 2020.
4. To have created ablution facilities and opened a renovated or new multi-faith prayer space by 18th September 2019.
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 30th June 2020.

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 the Union's student submission for the QAA quality enhancement review by 31 Dec 2019.
2. To review the Union's Governance framework and report to the Board of Trustees by 31 March 2020.
3. To audit the Union's progress against the Charity Governance Code and the Students' Union Governance code by 31 Dec 2019.
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.
5. To adopt and agree operating procedures for the new temporary entrance to the University Union building by 9 Oct 2019.

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 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 21 October 2019 and signed on their behalf by:

Jackie Yip
President (2019/20) 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

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 2019 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 2019 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.

The impact of uncertainties due to the United Kingdom exiting the European Union on our audit

The Trustees' view on the impact of Brexit is disclosed on page 7.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Group's and Union's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Group and Union as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Group's and Union's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Union and this is particularly the case in relation to Brexit.

CARDIFF UNIVERSITY STUDENTS' UNION

(A Company Limited by Guarantee)

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

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.

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 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

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 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:

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 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies	2	2,925,000	16,781	2,941,781	2,956,583
Charitable activities	4	2,468,637	-	2,468,637	2,115,210
Other trading activities		4,516,928	-	4,516,928	4,500,911
Investments	3	7,541	-	7,541	787
Total income		<u>9,918,106</u>	<u>16,781</u>	<u>9,934,887</u>	<u>9,573,491</u>
Expenditure on:					
Raising funds		6,160,460	-	6,160,460	6,064,629
Charitable activities	5	3,757,400	13,862	3,771,262	3,246,819
Total expenditure		<u>9,917,860</u>	<u>13,862</u>	<u>9,931,722</u>	<u>9,311,448</u>
Net income before other recognised gains and losses		246	2,919	3,165	262,043
Net movement in funds		246	2,919	3,165	262,043
Reconciliation of funds:					
Total funds brought forward		8,759,739	21,796	8,781,535	8,519,492
Total funds carried forward		<u>8,759,985</u>	<u>24,715</u>	<u>8,784,700</u>	<u>8,781,535</u>

The notes on pages 20 to 36 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 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	11		12,049,699		12,426,877
Investments	12		73,563		73,563
			<u>12,123,262</u>		<u>12,500,440</u>
Current assets					
Stocks	13	70,786		39,936	
Debtors	14	825,778		539,582	
Cash at bank and in hand		1,655,788		1,174,851	
		<u>2,552,352</u>		<u>1,754,369</u>	
Creditors: amounts falling due within one year	15	(1,593,028)		(1,065,570)	
Net current assets			<u>959,324</u>		<u>688,799</u>
Total assets less current liabilities			<u>13,082,586</u>		<u>13,189,239</u>
Provisions for Liabilities	16		(4,297,886)		(4,407,704)
Net assets			<u>8,784,700</u>		<u>8,781,535</u>
Charity Funds					
Restricted funds	17		24,715		21,796
Unrestricted funds	17		8,759,985		8,759,739
Total funds			<u>8,784,700</u>		<u>8,781,535</u>

The financial statements were approved and authorised for issue by the Trustees on 21 October 2019 and signed on their behalf, by:

Jackie Yip
President (2019/20) and
Chair of the Board of Trustees

The notes on pages 20 to 36 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 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	11		45,110		35,207
Investments	12		2,000		2,000
			<u>47,110</u>		<u>37,207</u>
Current assets					
Debtors	14	1,831,131		402,357	
Cash at bank		102,661		228,268	
		<u>1,933,792</u>		<u>630,625</u>	
Creditors: amounts falling due within one year	15	(489,726)		(435,146)	
Net current assets			<u>1,444,066</u>		<u>195,479</u>
Net assets			<u>1,491,176</u>		<u>232,686</u>
Charity Funds					
Restricted funds			24,715		21,796
Unrestricted funds			1,466,461		210,890
Total funds			<u>1,491,176</u>		<u>232,686</u>

The financial statements were approved and authorised for issue by the Trustees on 21 October 2019 and signed on their behalf, by:

Jackie Yip
President (2019/20) and
Chair of the Board of Trustees

The notes on pages 20 to 36 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 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	19	801,334	828,361
		<hr/>	<hr/>
Cash flows from investing activities:			
Dividends, interest and rents from investments		7,541	787
Purchase of tangible fixed assets		(327,938)	(123,483)
		<hr/>	<hr/>
Net cash used in investing activities		(320,397)	(122,696)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		480,937	705,665
Cash and cash equivalents brought forward		1,174,851	469,186
		<hr/>	<hr/>
Cash and cash equivalents carried forward	20	1,655,788	1,174,851
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 20 to 36 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 2019

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 2019 and the comparative information relates to the year ended 31 July 2018.

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 £1,258,490 (2018 - £126,700).

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 2019

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 2019

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 the following bases:

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
Work in progress	-	Nil

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 2019

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 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	-	12,481	12,481	700
Block grant	2,925,000	-	2,925,000	2,925,000
Cardiff University	-	4,300	4,300	21,283
Big Lottery Fund	-	-	-	9,600
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	2,925,000	16,781	2,941,781	2,956,583
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2018	2,925,000	31,583	2,956,583	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

3. Investment income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest received	7,541	-	7,541	787
Total 2018	787	-	787	

4. Income from charitable activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Athletic Union income	101,811	101,811	101,073
Societies income	40,247	40,247	37,879
Hire of vehicles for student use	57,694	57,694	60,980
Student development income	8,266	8,266	9,069
Give it a Go programme income	70,640	70,640	71,533
Jobshop	2,126,865	2,126,865	1,740,017
Miscellaneous	51,477	51,477	77,222
Income from Cardiff Volunteering	11,637	11,637	17,437
	<u>2,468,637</u>	<u>2,468,637</u>	<u>2,115,210</u>
Total 2018	2,115,210	2,115,210	

5. Analysis of expenditure on charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Charitable activities	3,757,400	13,862	3,771,262	3,246,819
Total 2018	3,237,732	9,087	3,246,819	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

6. Direct costs

	Charitable activities £	Total 2019 £	Total 2018 £
Direct costs of activities	24,294	24,294	15,956
Direct costs of dealing with AU and Societies	1,275	1,275	650
Give it a Go costs	53,129	53,129	51,139
Transport costs	29,299	29,299	25,876
Student development costs	10,931	10,931	5,421
Events costs	22,846	22,846	25,673
Jobshop costs	744	744	101
Staff welfare	2,048	2,048	709
Building and equipment costs	175	175	189
Expenditure from Cardiff Volunteering	15,021	15,021	11,922
Wages and salaries	1,984,514	1,984,514	1,605,057
	<u>2,144,276</u>	<u>2,144,276</u>	<u>1,742,693</u>
Total 2018	<u>1,742,693</u>	<u>1,742,693</u>	

7. Support costs

	Charitable activities £	Total 2019 £	Total 2018 £
Staff welfare	27,450	27,450	18,643
Building and equipment costs	20,869	20,869	12,595
Marketing costs	34,337	34,337	22,833
Motor and travel costs	38,275	38,275	27,240
Communications	36,026	36,026	32,897
Corporate and administrative costs	162,917	162,917	153,385
Depreciation	14,317	14,317	8,174
Student activities	329,839	329,839	326,294
Agency staff costs	33,146	33,146	32,434
Wages and salaries	929,810	929,810	869,631
	<u>1,626,986</u>	<u>1,626,986</u>	<u>1,504,126</u>
Total 2018	<u>1,504,126</u>	<u>1,504,126</u>	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

8. Net income/(expenditure)

This is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	705,116	691,385
Operating leases	59,347	56,545
	<u>764,463</u>	<u>747,930</u>

9. Auditors' remuneration

	2019	2018
	£	£
Fees payable to the Union's auditor and its associates for the audit of the Union's annual accounts	5,665	5,500
Fees payable to the Union's auditor and its associates in respect of:		
The auditing of accounts of associates of the Union	7,825	7,600
Taxation compliance services	1,290	1,250
All other non-audit services not included above	3,760	3,650
	<u>18,540</u>	<u>18,000</u>

10. Staff costs

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	4,994,231	4,542,630
Social security costs	280,250	249,136
Other pension costs	75,325	61,513
	<u>5,349,806</u>	<u>4,853,279</u>

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

	2019	2018
	No.	No.
Cardiff University Students' Union - Sabbatical officers	7	7
Cardiff University Students' Union - Jobshop	629	675
Cardiff University Students' Union - Administrative	56	50
Cardiff Union Services Limited - Cost of sales	167	192
Cardiff Union Services Limited - Administrative	86	71
	<u>945</u>	<u>995</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

10. Staff costs (continued)

The number of higher paid employees was:

	2019	2018
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1

Termination payments totalling £7,637 (2018: £7,683) 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 (2018:5) key management personnel received employee benefits, inclusive of employer pension contributions and termination payments, totalling £316,987 (2018: £256,998).

11. Tangible fixed assets

Group	L/Term Leasehold Property £	Leasehold improvements £	Office equipment £	Computer equipment £	Work in Progress £	Total £
Cost						
At 1 August 2018	14,000,000	35,508	1,434,606	439,854	-	15,909,968
Additions	-	41,810	111,379	24,312	150,437	327,938
At 31 July 2019	<u>14,000,000</u>	<u>77,318</u>	<u>1,545,985</u>	<u>464,166</u>	<u>150,437</u>	<u>16,237,906</u>
Depreciation						
At 1 August 2018	1,805,080	1,020	1,271,998	404,993	-	3,483,091
Charge for the year	602,219	4,473	77,037	21,387	-	705,116
At 31 July 2019	<u>2,407,299</u>	<u>5,493</u>	<u>1,349,035</u>	<u>426,380</u>	<u>-</u>	<u>4,188,207</u>
Net book value						
At 31 July 2019	<u><u>11,592,701</u></u>	<u><u>71,825</u></u>	<u><u>196,950</u></u>	<u><u>37,786</u></u>	<u><u>150,437</u></u>	<u><u>12,049,699</u></u>
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>-</u></u>	<u><u>12,426,877</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

11. Tangible fixed assets (continued)

Union	Office equipment £	Computer equipment £	Total £
Cost			
At 1 August 2018	45,813	5,003	50,816
Additions	22,042	2,178	24,220
At 31 July 2019	<u>67,855</u>	<u>7,181</u>	<u>75,036</u>
Depreciation			
At 1 August 2018	15,140	469	15,609
Charge for the year	12,313	2,004	14,317
At 31 July 2019	<u>27,453</u>	<u>2,473</u>	<u>29,926</u>
Net book value			
At 31 July 2019	<u>40,402</u>	<u>4,708</u>	<u>45,110</u>
At 31 July 2018	<u>30,673</u>	<u>4,534</u>	<u>35,207</u>

12. Fixed asset investments

Group	Other investments £	
Market value		
At 1 August 2018 and 31 July 2019		<u>73,563</u>
Group investments comprise:		
	31 July 2019 £	31 July 2018 £
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 2018 and 31 July 2019		<u>2,000</u>

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13. Stocks

	Group		Union	
	2019	2018	2019	2018
	£	£	£	£
Goods for resale	70,786	39,936	-	-

14. Debtors

	Group		Union	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	676,843	409,696	457,663	291,735
Amounts owed by group undertakings	-	-	1,273,163	20,777
Other debtors	82,756	71,286	75,713	63,742
Prepayments and accrued income	66,179	58,600	24,592	26,103
	825,778	539,582	1,831,131	402,357

15. Creditors: Amounts falling due within one year

	Group		Union	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	451,824	97,586	12,934	9,041
Amounts owed to group undertakings	-	-	29,467	19,967
Other taxation and social security	151,139	146,192	19,364	25,137
Other creditors	476,571	362,711	334,534	321,908
Accruals and deferred income	513,494	459,081	93,427	59,093
	1,593,028	1,065,570	489,726	435,146

16. Net pension liability

Group	Unrestricted total fund 2019
	£
At 1 August 2018	4,407,704
Payments to SUSS	(243,321)
Discount unwind	133,503
At 31 July 2019	4,297,886

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17. Statement of funds

Statement of funds - current year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2019 £
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	<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>

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.

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17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2018 £
Designated funds					
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> </u>	<u> </u>	<u> </u>
General funds					
Cardiff University Students' 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> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	8,519,492	9,542,608	(8,406,478)	(8,915,056)	740,566
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><u>8,519,492</u></u>	<u><u>9,573,491</u></u>	<u><u>(9,311,448)</u></u>	<u><u>-</u></u>	<u><u>8,781,535</u></u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	12,049,698	-	12,049,698
Fixed asset investments	73,563	-	73,563
Current assets	2,527,638	24,715	2,552,353
Creditors due within one year	(1,593,028)	-	(1,593,028)
Provisions for liabilities and charges	(4,297,886)	-	(4,297,886)
	<u> </u>	<u> </u>	<u> </u>
	8,759,985	24,715	8,784,700
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior 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>

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

	Group	
	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	3,165	262,043
Adjustment for:		
Depreciation charges	705,116	691,385
Dividends, interest and rents from investments	(7,541)	(787)
Loss on the sale of fixed assets	-	433
(Increase)/decrease in stocks	(30,850)	1,451
Increase in debtors	(286,196)	(97,665)
Increase/(decrease) in creditors	527,458	(8,239)
(Decrease)/increase in net pension liability	(109,818)	(20,260)
Net cash provided by operating activities	<u>801,334</u>	<u>828,361</u>

20. Analysis of cash and cash equivalents

	Group	
	2019 £	2018 £
Cash in hand	1,655,788	1,174,851
Total	<u>1,655,788</u>	<u>1,174,851</u>

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21. Capital commitments

At 31 July 2019 the group and Union had capital commitments as follows:

	<u>Group</u>		<u>Union</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	£	£	£	£
Contracted for but not provided in these financial statements	69,819	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 £75,325 (2018: £61,513). Contributions totalling £16,591 (2018: £12,101) 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

22. Pension commitments (continued)

The total deficit contributions paid into the Scheme by Cardiff Union Services Limited in respect of eligible employees for the year ended 31 July 2019 amount to £243,321 (2018: £224,757).

At the balance sheet date the Company had commitments to pay deficit funding contributions of £20,521 per month, increasing by 5% at October 2019. This monthly payment is scheduled to increase by 5% per annum at October each year until 30 June 2033.

The Company is aware of a possible increase in the SUSS pension deficit. This will not impact the Company until a revised deficit funding contribution schedule has been agreed, which will be following the next triennial valuation of the scheme.

The actuarial valuation commenced on 30 June 2019. The results of this valuation are expected to be communicated to participating employers at the next AGM.

It is anticipated that a revised deficit plan will be implemented in October 2020 and it is likely that this will required an extension to the recovery plan period and/or increased monthly deficit payments.

23. Operating lease commitments

At 31 July 2019 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2019	2018
	£	£
Amounts payable:		
Within 1 year	58,746	58,066
Between 1 and 5 years	72,052	126,003
Total	<u>130,798</u>	<u>184,069</u>

At 31 July 2019 the Union had annual commitments under non-cancellable operating leases as follows:

Union		
Amounts payable:		
Within 1 year	53,113	53,113
Between 1 and 5 years	61,854	112,382
Total	<u>114,967</u>	<u>165,495</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

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 £11,607 (2018: £12,071).

As authorised under section 6 of the Articles of Association, a total of £157,218 (2018: £154,717) was paid in remuneration to 7 (2018: 12) sabbatical officer trustees as follows:

	Gross pay	2019 Employer
	£	pension
		contribution
		£
A Alwishah	20,601	-
F Al Dhahouri	18,786	-
G M Haynes	19,644	320
H J Page	19,644	168
J Pickett	2,679	50
J Yip	21,493	360
J L Kent	19,644	320
J R Smith	19,644	320
J T Wareham	2,679	-
N Fox	2,679	50
O Tarn	2,679	50
S H Ortom	2,679	50
T I Evans	2,679	-
	<u>155,530</u>	<u>1,688</u>

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 a registered in England & Wales, company registered number 09712403 and charity registered number 1168217.

At 31 July 2019, the company had net assets of £27,803 and it made a surplus for the year of £1,212.

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 £29,467 (2018 - £10,122) by the Charity and owed £24,780 (2018 - £12,596) to Cardiff Union Services Limited. The donation and year end balances have been eliminated on consolidation.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

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 2019, the company had net assets of £7,265,719. The profit and loss account information for the year ended 31 July 2019 is shown below.

	2019	2018
	£	£
Turnover	4,516,928	4,500,911
Cost of sales - excluding staff costs	(1,677,533)	(1,746,796)
Staff costs	(2,435,483)	(2,378,591)
Administrative costs	(1,233,683)	(1,051,532)
Depreciation charges	(690,799)	(683,211)
Grant from Cardiff University	390,000	1,683,000
Interest receivable and similar income	7,532	781
Interest payable and similar charges	(133,503)	(204,498)
	<u>(1,256,541)</u>	<u>120,064</u>

At the balance sheet date Cardiff Union Services Limited owed £1,273,163 (2018 - £20,777) to the charity and was owed £24,780 (2018 - £12,596) by Cardiff Volunteering. These balances have been eliminated on consolidation.