

REGISTERED NUMBER: 02287517 (England and Wales)

**CARDIFF UNION SERVICES LIMITED**  
**STRATEGIC REPORT,**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2022**

**CARDIFF UNION SERVICES LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2022**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>5</b>
<b>Report of the Independent Auditors</b>	<b>7</b>
<b>Statement of Comprehensive Income</b>	<b>10</b>
<b>Balance Sheet</b>	<b>11</b>
<b>Statement of Changes in Equity</b>	<b>12</b>
<b>Notes to the Financial Statements</b>	<b>13</b>
<b>Trading and Profit and Loss Account</b>	<b>22</b>

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**CARDIFF UNION SERVICES LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 JULY 2022**

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**DIRECTORS:**

D J Palmer  
J A Sadgrove  
G C Dunn  
E L Howells  
G S Diamond  
O J Evans  
S Goel

**REGISTERED OFFICE:**

Cardiff University Students' Union  
Park Place  
Cardiff  
CF10 3QN

**REGISTERED NUMBER:**

02287517 (England and Wales)

**AUDITORS:**

Watts Gregory LLP  
Chartered Accountants & Statutory Auditors  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

The directors present their strategic report for the year ended 31 July 2022.

The principal activity of the company is to promote the social and educational welfare of the students of Cardiff University by providing services and facilities to them. These services and facilities are provided to directly, or indirectly, improve their conditions of life by enabling them to participate in intellectual, social, recreational, travel and other activities connected with Cardiff University and Cardiff University Students' Union. The company also provides any other services or facilities that Cardiff University students need by reason of them being students and extends those uses to students connected with other students' unions as the company sees fit.

The company manages a purpose-built University Union building in Cardiff City Centre and plays a valuable and widely recognised role in supporting the student experience at Cardiff University.

#### REVIEW OF BUSINESS

The company's turnover increased dramatically in the year as covid restrictions were eased and ultimately lifted, resulting in an operating surplus of £694,969 (2021: operating loss £588,062).

With trade being returned to near normal activity for the majority of the year turnover increased to £5,237,048 (2021: £1,268,583) resulting in an increased gross profit of £2,611,536 (2021: £977,827). Turnover in our Venues area exceeded £4m for the first time. Our Love Cardiff shop and Lettings businesses reached new turnover performance highs of £272,735 and £527,122 respectively. The covid nightclub shutdown during the December / January period fell at one of our historically quieter periods so had little impact on turnover level expectations. In July 2022 Cardiff University held a super graduation ceremony which resulted in 3 years of graduate presentation in one year. This meant that we experienced an uplift in turnover in our Love Cardiff operations and Venues as additional celebratory events were held.

The directors are seeking to extend the length of the lease of the University Union building, leading to reduced depreciation charges for the asset. Irrespective of this, the directors are satisfied that cash profits will be generated to support the parent charity's charitable objectives. The directors are investing significantly in the building to increase capacity within our commercial operations. The space will also enhance the student experience of our charitable parent company. Funding for the improvement work is via a substantial grant from Cardiff University coupled with use of our own reserves.

The directors have strengthened the company's balance sheet. This follows a period of erosion caused by the recognition of future pension liabilities and the impact of depreciation of the Union building coupled with the impact of covid. The company reported net current liabilities of £828,633 (2021: net current liabilities £924,961) at year end and net assets of £6,470,124 (2021: £5,381,281). The directors have set the following targets to ensure stability in the balance sheet:

- To manage the long-term financial plans for the company and the Cardiff University Students' Union Group to retain group free reserves of £1.3M;
- To minimise the expected operating loss in 2022/2023 and return to operating profit from 2023/24 onwards.

The company has recognised its defined benefit pension scheme liabilities. The company's deficit contributions to the pension scheme are due to run until 2035, but the directors are confident that the company can meet its liabilities as they fall due. The treatment of pensions within the accounts has a dramatic impact on the company's overall position and the shareholders' funds.

Since 2016 the company has also recognised the lease value of the Union building and will depreciate the asset over the life of the existing lease, until 2038. The charge in 2021/22 was £602,218 (2021: £602,218). The directors are satisfied that the valuation gives a fair reflection of the company's exploitable assets and potential for further business growth. The company reserves the right to extend its current lease on the same terms at the point of expiry and is seeking an extension to 2088 with the freehold owner, Cardiff University.

The application of the Union building depreciation and future pension scheme liabilities disproportionately impacts the company's financial statements and the directors recognise that it is unlikely that the company will make accounting profits whilst both items have their current status. However, this does not prevent the company from producing trading profits and these will be generated to further the aims of the company and its parent charity.

**PRINCIPAL RISKS AND UNCERTAINTIES**

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

Budgetary and internal control risks are minimised by expenditure limits set by the Board of Directors. In addition, stringent procedures are in place to ensure the health and safety of staff, volunteers and participants on all activities organised by the company. All other types of risk have specific mitigation activities that are delegated to senior managers.

**Financial and non-financial key performance indicators**

The company's business plans are reviewed periodically by the directors and are established to meet the strategic needs of the company and the Students' Union Group. The company's top key performance indicators for 2021/22 are listed below with a statement of progress against them.

Objective	Outcome
To plan and execute a comprehensive programme of activities across the freshers' period, to welcome new and returning students back to University – Re-establishing all services to pre-pandemic levels.	Achieved
To have launched a new brand and public image.	Achieved
To have launched a new strategy to staff, students and external stakeholders. Aligning staff work to strategic priorities and improved one-to-one structure to support success.	Achieved
To develop and implement a strategy for improving the education, culture and practice surrounding sexual harassment, both within our communities and across the whole organisation.	Not achieved
To provide support to re-establish student groups to pre-pandemic levels, supporting groups to deliver activity and grow memberships.	Achieved
To either A - receive funding for and complete the redevelopment of the reception and front entrance or B – design and implement a Union funded terrace.	Achieved
To have implemented all items within the staff recognition and support package.	Achieved
To implement a one team approach across our volunteers, student staff and career staff.	Partially achieved
To develop a package of support to engage students in all aspects of their academic life, including those on placement.	Partially achieved
To develop a digital data hub to store, monitor and track data across the organisation.	Not achieved
To achieve the organisational group budget.	Achieved
To develop the third floor lounge space into a social hub for students.	Achieved

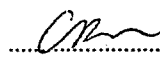
CARDIFF UNION SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2022

To develop and grow a commercial opt-in mailing list provides exclusive rewards and offers to members based on their purchasing habits and wants. This will drive loyalty and provided added rewards to members utilising our services and support the organisation to increase sales across commercial outlets.	Achieved
To ensure all HEFCW grant funded projects are delivering in line with project expectations.	Achieved
To develop and agree a Great Hall business and redevelopment plan covering the next 5 years	Achieved
To rebuild our student staff, ambassadors and after a year of being depleted and to develop a student insights function ensuring there is timely opportunities to shape and feedback on commercial functions. Rebuilding these groups is vital to the economic performance of a commercial entity; without them, revenue will be impacted.	Partially achieved
To fully integrate CU and CSU across CSL operations with opening of the new building in September 2021	Achieved
Further develop digital improvements to our membership services and commercial services by reviewing current practices, collating feedback on improvements and increasing opportunities for students to engage digitally.	Not achieved
To digitise the work and activities of the Board of Trustees and its sub committees.	Partially achieved

ON BEHALF OF THE BOARD:

  
G C Dunn - Director

Date: 13/12/22

## CARDIFF UNION SERVICES LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2022

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The directors present their report with the financial statements of the company for the year ended 31 July 2022.

#### DIVIDENDS

No dividends will be distributed for the year ended 31 July 2022.

#### FUTURE DEVELOPMENTS

The company's parent charity launched its new strategic plan and branding in late 2021 - the heart of the Cardiff student life - 2021-25. The company expects that the development of the Union building will again form a significant part of the objectives of the parent charity over the coming years together with returning the Union to pre-pandemic levels of student engagement. The company will work with its related parties to ensure that this work can be planned, funded and undertaken so that the Union building remains at the heart of the Cardiff student life and realises the potential benefits from co-location with Cardiff University's new Centre for Student Life building which opened in late 2021. Further details can be found on our website: <https://www.cardiffstudents.com/about-cusu/plans/>

#### DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2021 to the date of this report.

D J Palmer  
J A Sadgrove

Other changes in directors holding office are as follows:

H T Doe - resigned 30 June 2022  
S T Oldfield - resigned 30 June 2022  
S W Ripley - resigned 30 June 2022  
O J Tarn - resigned 30 June 2022  
G C Dunn - appointed 1 July 2022  
E L Howells - appointed 1 July 2022  
G S Diamond - appointed 1 July 2022  
M N Applasamy - resigned 21 March 2022  
O J Evans - appointed 1 July 2022  
S Goel - appointed 1 July 2022

#### ENGAGEMENT WITH EMPLOYEES

The company acts as the employer for all staff (except Sabbatical Trustees of the charity) working within the Students' Union Group and takes a proactive role in ensuring employee involvement in all aspects of the company's administration. The company holds Best Companies 1-star status and is in the 2021 Sunday Times Top 100 not-for-profit companies to work for and within the top-25 education and training providers. In July 2018 the company achieved stage 2 Investors in Diversity status.

The company encourages a culture of employee involvement and supports a staff representative group, the Staff Consultative Forum (SCF). The company encourages staff to develop their own ideas to further the company's aims and asks employees to propose their own development initiatives through the company's balanced scorecard system 'My Strategy'.

#### Qualifying third party indemnity provisions

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

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 company will continue in business.

**CARDIFF UNION SERVICES LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 JULY 2022**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

  
.....  
G C Dunn - Director

Date: 13/12/22 .....



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CARDIFF UNION SERVICES LIMITED

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### Opinion

We have audited the financial statements of Cardiff Union Services Limited (the 'company') for the year ended 31 July 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2022 and of its profit 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company 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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern in exceptional or unforeseen circumstances.

### Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CARDIFF UNION SERVICES LIMITED

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

- 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on pages five and six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 a Report of the Auditors 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.

Based on our understanding of both the company and industry, we identified the principal risks of non-compliance with laws and regulations, including those related to UK tax legislation and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inaccurate journals and management bias in accounting estimates. We addressed these risks by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- reading minutes of meetings of those charged with governance;
- challenging assumptions made by management in relation to significant accounting estimates;
- considering the appropriateness of journal entries and other adjustments;
- evaluating the reasons for any large or unusual transactions;
- reviewing disclosures in the financial statements to underlying supporting documentation

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion.

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 Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
CARDIFF UNION SERVICES LIMITED**

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**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Mortimer (Senior Statutory Auditor)  
for and on behalf of Watts Gregory LLP  
Chartered Accountants & Statutory Auditors  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

16 December 2022

**CARDIFF UNION SERVICES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2022**

	Notes	2022 £	2021 £
<b>TURNOVER</b>	3	5,237,048	1,268,583
Cost of sales		<u>(2,625,512)</u>	<u>(290,756)</u>
<b>GROSS PROFIT</b>		2,611,536	977,827
Administrative expenses		<u>(4,191,369)</u>	<u>(3,536,902)</u>
		(1,579,833)	(2,559,075)
Other operating income	4	<u>2,274,802</u>	<u>1,971,013</u>
<b>OPERATING PROFIT/(LOSS)</b>	6	694,969	(588,062)
Interest receivable and similar income		363	127
Other finance income		<u>398,444</u>	<u>41,665</u>
		1,093,776	(546,270)
Interest payable and similar expenses	7	<u>(4,933)</u>	<u>(752)</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		1,088,843	(547,022)
Tax on profit/(loss)	8	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		1,088,843	(547,022)
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>1,088,843</u></u>	<u><u>(547,022)</u></u>


The notes form part of these financial statements

CARDIFF UNION SERVICES LIMITED (REGISTERED NUMBER: 02287517)

BALANCE SHEET  
31 JULY 2022

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	11	12,126,614	11,886,753
Investments	12	<u>71,563</u>	<u>71,563</u>
		<u>12,198,177</u>	<u>11,958,316</u>
<b>CURRENT ASSETS</b>			
Stocks	13	108,518	59,203
Debtors	14	379,289	143,425
Cash at bank and in hand		<u>357,272</u>	<u>291,932</u>
		845,079	494,560
<b>CREDITORS</b>			
Amounts falling due within one year	15	<u>(1,673,712)</u>	<u>(1,419,521)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(828,633)</u>	<u>(924,961)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		11,369,544	11,033,355
<b>CREDITORS</b>			
Amounts falling due after more than one year	16	(141,667)	(191,663)
<b>PENSION LIABILITY</b>		<u>(4,757,753)</u>	<u>(5,460,411)</u>
<b>NET ASSETS</b>		<u>6,470,124</u>	<u>5,381,281</u>
<b>RESERVES</b>			
Revaluation reserve		9,786,047	10,388,265
Pension reserve		(4,757,753)	(5,460,411)
Retained earnings		<u>1,441,830</u>	<u>453,427</u>
		<u>6,470,124</u>	<u>5,381,281</u>

The financial statements were approved by the Board of Directors and authorised for issue on 13/12/22 and were signed on its behalf by:

  
G C Dunn - Director

The notes form part of these financial statements

**CARDIFF UNION SERVICES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2022**

	Retained earnings £	Revaluation reserve £	Pension reserve £	Total equity £
<b>Balance at 1 August 2020</b>	713,169	10,990,483	(5,770,342)	5,933,310
<b>Changes in equity</b>				
Transfer of excess depreciation	602,218	(602,218)	-	-
Movement in pension liability	(309,931)	-	309,931	-
Distribution of profit	(5,007)	-	-	(5,007)
Total comprehensive income	<u>(547,022)</u>	<u>-</u>	<u>-</u>	<u>(547,022)</u>
<b>Balance at 31 July 2021</b>	<u>453,427</u>	<u>10,388,265</u>	<u>(5,460,411)</u>	<u>5,381,281</u>
<b>Changes in equity</b>				
Transfer of excess depreciation	602,218	(602,218)	-	-
Movement in pension liability	(702,658)	-	702,658	-
Total comprehensive income	<u>1,088,843</u>	<u>-</u>	<u>-</u>	<u>1,088,843</u>
<b>Balance at 31 July 2022</b>	<u><u>1,441,830</u></u>	<u><u>9,786,047</u></u>	<u><u>(4,757,753)</u></u>	<u><u>6,470,124</u></u>

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Cardiff Union Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

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

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

There have been no material departures from Financial Reporting Standard 102.

**Going concern**

At 31 July 2022 the company reported net current liabilities of £828,633 (2021 - £924,961). The directors have reviewed the forecasts based on the latest income and expenditure to ensure cash liquidity is maintained to an appropriate level for the 12 month period, from the date of signing these statements. In the circumstances they have concluded that no additional disclosure is required to the financial statements at this time. The directors are satisfied that it is appropriate for the company's financial statements to be prepared on a going concern basis.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirement of paragraph 33.7.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2. ACCOUNTING POLICIES - continued

**Tangible fixed assets**

All fixed assets are initially recorded at cost.

The company has taken advantage of the transitional exemptions of FRS 102 and carry the long leasehold property at its previously revalued amount as deemed cost.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss account.

Depreciation is provided at the following rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Long term leasehold property	over the remaining term of the lease
Leasehold improvements	over the term of the lease
Plant and machinery	5 - 10 years straight line
Office equipment	3- 5 years straight line
Computer equipment	3 years straight line

**Work in progress**

Work in progress represents capital costs incurred to date on the leasehold property which is still under construction at the balance sheet date. Upon completion of the works, the cost will be reclassified to the relevant asset line and depreciated in line with the above accounting policies as appropriate.

**Investments**

Fixed asset investments are stated at cost. Provision is made, where necessary, for any permanent diminution in value.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stock is included at the lower of cost or net realisable value using the FIFO stock valuation method.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.



2. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

The company participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. Where a plan has been agreed to fund an identified deficit, a liability is recognised for the present value of the contributions payable that arise from that agreement with the resulting expense recognised in the Statement of Comprehensive Income.

The company operates a defined contribution plan for its employees. Contributions payable to this pension scheme are charged to the Statement of Comprehensive Income in the period to which they relate.

**Employee benefits**

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

**Non-derivative financial instruments**

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents and trade and other creditors.

**Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

**Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand. For the purpose of the cash flow statement, cash and cash equivalents are net of bank overdrafts which are repayable on demand.

**Significant accounting judgements and estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results. The estimates and assumptions that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Pension liability

The pension liability is based on the latest deficit reduction recovery plan in place as at the year-end. It is an estimate of the future liability of the expected payments adjusted by a discount rate, which is estimated based on latest economic trends/expectations.

**Operating lease commitments**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Government grants**

Government grants in respect of capital expenditure are released to the profit and loss account over the estimated useful life of the asset acquired. Grants in respect of revenue expenditure are released so as to match the grant with the relevant cost.

**CARDIFF UNION SERVICES LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2022****3. TURNOVER**

The turnover and profit (2021 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2022	2021
	£	£
Bars and food	3,263,372	244,784
Entertainment and venue	719,998	33,923
Retail shop	272,735	142,326
Letting agency	527,122	447,118
Rental income	313,550	263,999
Advertising	102,643	79,403
Other	37,628	57,030
	<u>5,237,048</u>	<u>1,268,583</u>

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	<u>5,237,048</u>	<u>1,268,583</u>
	<u>5,237,048</u>	<u>1,268,583</u>

**4. OTHER OPERATING INCOME**

	2022	2021
	£	£
Block grant	1,615,000	1,247,000
Supplemental Block grant income - Redevelopment	659,257	300,089
Coronavirus Job Retention Scheme	545	423,924
	<u>2,274,802</u>	<u>1,971,013</u>

**5. EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Wages and salaries	2,475,806	1,855,101
Social security costs	174,169	147,774
Pension costs	57,390	52,887
	<u>2,707,364</u>	<u>2,055,762</u>

The average number of employees during the year was as follows:

	2022	2021
	No.	No.
Administration and support	90	72
Cost of sales	<u>156</u>	<u>44</u>
	<u>246</u>	<u>116</u>

**CARDIFF UNION SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2022**

**5. EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Directors' remuneration	94,323	88,721
Directors' pension contributions to defined contribution schemes	<u>1,321</u>	<u>1,316</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2022	2021
	<u>1</u>	<u>1</u>

**6. OPERATING PROFIT/(LOSS)**

The operating profit (2021 - operating loss) is stated after charging:

	2022	2021
	£	£
Depreciation - owned assets	798,619	743,941
Loss on disposal of fixed assets	346	-
Auditors' remuneration	10,590	13,250
Operating leases: lease payments recognised as an expense	<u>9,723</u>	<u>8,934</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022	2021
	£	£
Bank interest	<u>4,933</u>	<u>752</u>

**8. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31 July 2022 nor for the year ended 31 July 2021.

**9. DISTRIBUTION OF PROFIT**

	2022	2021
	£	£
Distribution of profit to Cardiff University Students' Union	<u>-</u>	<u>5,007</u>

CARDIFF UNION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2022

10. OTHER FINANCE INCOME

	2022 £	2021 £
Defined benefit pension scheme - unwinding of discount	<u>(398,444)</u>	<u>(41,665)</u>

The above represents the change in present value of the future deficit contributions towards the SUSS defined benefit pension scheme. See note 22 for further details.

11. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Long leasehold property £	Office equipment £
<b>COST</b>			
At 1 August 2021	1,211,731	14,000,000	1,566,515
Additions	4,500	-	31,552
Disposals	-	-	(1,078,317)
Reclassification/transfer	<u>158,198</u>	<u>-</u>	<u>5,720</u>
At 31 July 2022	<u>1,374,429</u>	<u>14,000,000</u>	<u>525,470</u>
<b>DEPRECIATION</b>			
At 1 August 2021	124,920	3,611,735	1,419,019
Charge for year	129,790	602,218	54,012
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(1,077,970)</u>
At 31 July 2022	<u>254,710</u>	<u>4,213,953</u>	<u>395,061</u>
<b>NET BOOK VALUE</b>			
At 31 July 2022	<u>1,119,719</u>	<u>9,786,047</u>	<u>130,409</u>
At 31 July 2021	<u>1,086,811</u>	<u>10,388,265</u>	<u>147,496</u>
	Work in progress £	Computer equipment £	Totals £
<b>COST</b>			
At 1 August 2021	247,841	468,038	17,494,125
Additions	988,579	14,196	1,038,827
Disposals	-	(325,549)	(1,403,866)
Reclassification/transfer	<u>(163,918)</u>	<u>-</u>	<u>-</u>
At 31 July 2022	<u>1,072,502</u>	<u>156,685</u>	<u>17,129,086</u>
<b>DEPRECIATION</b>			
At 1 August 2021	-	451,698	5,607,372
Charge for year	-	12,599	798,619
Eliminated on disposal	<u>-</u>	<u>(325,549)</u>	<u>(1,403,519)</u>
At 31 July 2022	<u>-</u>	<u>138,748</u>	<u>5,002,472</u>
<b>NET BOOK VALUE</b>			
At 31 July 2022	<u>1,072,502</u>	<u>17,937</u>	<u>12,126,614</u>
At 31 July 2021	<u>247,841</u>	<u>16,340</u>	<u>11,886,753</u>

CARDIFF UNION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2022

11. TANGIBLE FIXED ASSETS - continued

The company elected to adopt the transitional exemption of FRS 102 and has used the long leasehold properties' previous valuation as deemed cost.

If freehold property had not been revalued they would have been included at the following historical cost:

	2022 £	2021 £
Cost	<u>1,554,978</u>	<u>1,554,978</u>
Aggregate depreciation	<u>1,554,978</u>	<u>1,554,978</u>
Carrying value	<u>£ -</u>	<u>£ -</u>

12. FIXED ASSET INVESTMENTS

	Unlisted investments £
<b>COST</b>	
At 1 August 2021 and 31 July 2022	<u>71,563</u>
<b>NET BOOK VALUE</b>	
At 31 July 2022	<u>71,563</u>
At 31 July 2021	<u>71,563</u>

The above unlisted investments relate to Welsh Rugby Union Debentures and NUS Credit guarantee deposit.

13. STOCKS

	2022 £	2021 £
Venues- wet stock and food	24,943	15,117
Retail stock	<u>83,575</u>	<u>44,086</u>
	<u>108,518</u>	<u>59,203</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	194,147	49,991
Amounts owed by group undertakings	-	40
Other debtors	4,521	2,618
Prepayments and accrued income	<u>180,621</u>	<u>90,776</u>
	<u>379,289</u>	<u>143,425</u>

CARDIFF UNION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 JULY 2022

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 17)	50,000	50,004
Trade creditors	548,754	289,852
Amounts owed to group undertakings	347,066	437,229
Social security and other taxes	93,149	73,075
VAT	-	6,581
Other creditors	114,850	132,240
Accruals and deferred income	519,893	430,540
	<u>1,673,712</u>	<u>1,419,521</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans (see note 17)	<u>141,667</u>	<u>191,663</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>50,000</u>	<u>50,004</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>50,000</u>	<u>50,004</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>91,667</u>	<u>141,659</u>

A Business Interruption Loan from Lloyds bank was obtained in May 2020. The rate of interest payable on the loan is Bank of England base rate plus 1.81% per annum. The loan was effectively interest free for the first 12 months after which interest is charged each month. The capital is repayable in 60 equal monthly instalments of £4,166.67 commencing 13 months after drawdown of the loan.

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	4,888	4,382
Between one and five years	<u>9,736</u>	<u>166</u>
	<u>14,624</u>	<u>4,548</u>

19. PROVISIONS FOR LIABILITIES

	Pension provision
	£
Balance at 1 August 2021	5,460,411
Unwinding of discounted amount	(398,443)
Payments during the year	<u>(304,215)</u>
Balance at 31 July 2022	<u>4,757,753</u>

19. **PROVISIONS FOR LIABILITIES - continued**

See Note 22 for further details.

20. **ULTIMATE PARENT COMPANY**

The company is a 100% subsidiary of Cardiff University Students' Union, registered in England and Wales, which is the ultimate parent company.

The principal business address of the ultimate parent company is Park Place, Cardiff, CF10 3QN.

21. **RELATED PARTY DISCLOSURES**

At 31 July 2022 the company was owed £NIL (2021 - £40) by Cardiff Volunteering Limited, an entity under common control.

At 31 July 2022 the company owed £347,066 (2021 - £437,229) to Cardiff University Students' Union, the ultimate parent company.

22. **PENSION COMMITMENTS**

The company participates in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the scheme closed to future accrual.

The most recent Valuation of the Scheme was carried out as at 30 June 2019 and showed that the market value of the Scheme's assets was £119.1m with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £140.9m which reported an increase to the previous 2016 valuation deficit of £119.7m.

The assumptions which have the most significant effect upon the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The previous 2016 actuarial valuation recommended a monthly contribution requirement by each participating employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 16 years which was due to end in 2033. Given the already substantial level of contributions being made to the scheme by employers, the Trustees of the scheme concluded that extending the recovery period was the most appropriate option.

In summary, employer contributions increased by 5% in October 2020 as planned and then by 16% in October 2021 and will increase by 5% each year thereafter until the end of the deficit recovery period, which is now expected to be in August 2035. However, contributions due from October 2023 onwards will be reviewed following the next actuarial valuation.

The total contributions paid into the scheme by the Union in respect of eligible employees for the year ended 30 July 2022 amounted to £304,215 which are all deficit contributions (2021: £286,266). At the year end a liability was recognised for the present value of the contributions payable of £4,757,753 (2021: £5,460,411).

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £57,390 (2021 - £52,887). At the year end there were outstanding contributions of £14,612 (2021 - £13,136).

CARDIFF UNION SERVICES LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JULY 2022

	2022		2021	
	£	£	£	£
<b>Sales</b>		5,237,048		1,268,583
<b>Cost of sales</b>				
Direct cost of sales	2,024,622		221,407	
Direct staff costs	<u>600,890</u>		<u>69,349</u>	
		<u>2,625,512</u>		<u>290,756</u>
<b>GROSS PROFIT</b>		2,611,536		977,827
<b>Other income</b>				
Grant income	2,274,802		1,971,013	
Interest receivable	<u>363</u>		<u>127</u>	
		<u>2,275,165</u>		<u>1,971,140</u>
		4,886,701		2,948,967
<b>Expenditure</b>				
Insurance	85,495		85,088	
Non-direct staff costs	2,106,475		1,986,414	
Agency staff costs	54,033		1,391	
Apprenticeship levy	12,186		2,410	
Staff welfare (including training and development)	44,900		20,659	
Utility costs	214,089		96,214	
Facility costs	325,530		312,741	
Equipment costs	130,246		44,486	
Rates	2,721		-	
Marketing costs	91,799		34,877	
Travel and motor costs	5,346		779	
Communication costs				
(including subscriptions)	124,589		66,568	
Sundry expenses	50		(2)	
Consultancy fees	35,642		34,437	
Staff recruitment	26,727		4,763	
Other corporate costs	16,736		18,118	
Bad debts	18,505		5,618	
Irrecoverable VAT	13,032		13,575	
Lease costs	9,723		8,934	
Stationery costs	3,431		959	
IT costs	32,010		28,507	
Legal and professional fees	19,586		14,889	
Auditors' remuneration	10,590		13,250	
Depreciation of tangible fixed assets	798,619		743,940	
Profit/loss on sale of tangible fixed assets	<u>346</u>		<u>-</u>	
		<u>4,182,406</u>		<u>3,538,615</u>
		704,295		(589,648)
<b>Finance costs</b>				
Bank charges	7,410		(105)	
Credit card fees	911		1,242	
Sundry admin charges	642		(2,850)	
Bank interest	<u>4,933</u>		<u>752</u>	
		<u>13,896</u>		<u>(961)</u>
Carried forward		690,399		(588,687)

This page does not form part of the statutory financial statements



CARDIFF UNION SERVICES LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JULY 2022

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	2022	2021
	£	£
Brought forward	690,399	(588,687)
<b>Other finance income/costs</b>		
Defined benefit pension scheme – unwinding of discount	<u>398,444</u>	<u>41,665</u>
<b>NET PROFIT/(LOSS)</b>	<u><u>1,088,843</u></u>	<u><u>(547,022)</u></u>