

CARDIFF UNION SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025

CARDIFF UNION SERVICES LIMITED

COMPANY INFORMATION

Directors	E H Chamberlain M E Elliott (appointed 1 July 2025) D J Palmer M D Pollard (appointed 1 July 2025) J A Sadgrove J L Tandy (appointed 1 July 2025) S Vedi (appointed 12 November 2024) H W Whittaker (appointed 1 July 2025) G K Spry (resigned 30 June 2025) M L Panes (resigned 30 June 2025) M P J Hutchinson (resigned 30 June 2025)
Registered number	02287517
Registered office	Cardiff University Students' Union Park Place Cardiff CF10 3QN
Independent auditors	MHA Statutory Auditor Elfed House Oak Tree Court Cardiff Gate Business Park Cardiff CF23 8RS

CARDIFF UNION SERVICES LIMITED

CONTENTS

	Page
Strategic Report	1 - 3
Directors' Report	4 - 6
Independent Auditors' Report	7 - 10
Statement of Comprehensive Income	11
Balance Sheet	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14 - 27
The following pages do not form part of the statutory financial statements:	
Detailed Profit and Loss Account and Summaries	28 - 31

CARDIFF UNION SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2025

Introduction

The directors present their strategic report for the year ended 31 July 2025.

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.

Business review

The company's turnover and cost of sales decreased in the year, resulting in an operating profit of £89,033 (2024: operating loss of £297,343).

During the year turnover decreased to £5,543,935 (2024: £5,807,849). Inflationary cost pressures and increases in legislative payroll costs were significant, coupled with further substantial investment in the building including roof repairs, replacement of the glazed roof blinds and other building improvements. These additional expenses contributed to administrative expenses increasing substantially to £5,727,259 (2024: £5,109,204). Changes in Intra group grant allocations has meant that operating income has increased substantially to assist with the significant repair costs throughout the building £3,178,073 (2024: £2,052,670). This has resulted in an operating surplus of £89,033 (2024: operating loss £297,343).

The directors have continued to strengthen the company's balance sheet. With the assistance of an interest free loan from the University, the directors have been able to exit the SUSS pension scheme through a section 75 buyout process. This has meant that the discounted debt of £4,625,233 (as at 31 July 2024) has been replaced on the balance sheet with a concessionary loan liability of £3,004,000. The loan value is based on a section 75 debt position of £2,893,000 plus associated fees. The loan has been made from Cardiff University to Cardiff University Students' Union. The loan is interest free with payments to be made on a straight line basis over a period of 12 years commencing in August 2026. Further information on the loan can be found in Note 19. The company no longer has any defined benefit pension scheme liabilities as a result of the section 75 buyout with an exit date of 24th June 2025.

The impact of the section 75 buyout is that there has been a credit of £1,371,787 to the profit and loss account which results in an income movement for the year of £1,471,834 (2024: loss of £432,044). This movement is based on release of balance sheet discounting provision rather than commercial activity and does not result in additional cash reserves.

During the year, there has been significant investment in the University Union building as part of ongoing improvements to enhance accessibility, sustainability, and the overall charitable and commercial offer. Key developments include the installation of a second passenger lift to improve access throughout the premises and the addition of solar panels, supporting the organisation's sustainability objectives. Work also commenced on the replacement of the building roof, including the removal of RAAC (Reinforced Autoclaved Aerated Concrete) and the renewal of other deteriorated roof areas to ensure structural integrity and safety. Internally, improvements have been made to the Cwtch area, creating a more welcoming environment with a broader range of uses. Further investment is planned to upgrade the Balconi Bar facilities in the coming year to meet additional demand.

CARDIFF UNION SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

The company reported net current liabilities of £1,295,265 (2024: net current liabilities £1,123,165) at year end and net assets of £7,589,948 (2024: £6,118,114). 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 £1.6M;
- To manage performance of the small surplus budget for 2025/26.

Since 2016 the company has also recognised the lease value of the Union building and will depreciate the asset over the newly extended life of the existing lease, until 2088. The charge in 2024/25 was £137,185 (2024: £369,701). The directors are satisfied that the valuation gives a fair reflection of the company's exploitable assets and potential for further business growth.

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 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 2024/25 are listed below with a statement of progress against them.

CARDIFF UNION SERVICES LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025**

Objective	Outcome
Celebrate the successes of the new building developments and past building 50th History, through a series of digital timelines and events with past students and officers.	Achieved
Working with leaders and volunteers in student run groups to improve Health and Safety practice, to ensure that all their activities are taking place in a manner that is consistent with and where possible exceeds recognised best practice.	Partially Achieved
Support the work of the inaugural International Students Officer establishing the role within the organisation and wider University environment.	Achieved
Food court redevelopment to create a dynamic multi use space that generates additional income streams and engagement opportunities.	Achieved
Review the Union Articles of Association, in concert with the University, for recommended action and implementation.	Achieved
Development of non-alcoholic Freshers' welcome events to diversify range of activities and foster a more inclusive environment.	Achieved
Continue to review and develop a series of initiatives that focus on improving Students' Union services and practices surrounding support for the prevention of sexual violence.	Achieved
Installation of a second passenger lift to improve the buildings accessibility.	Achieved
To schedule, plan and install a first phase of solar cells on the roof of the Students' Union, to improve environmental and financial sustainability.	Achieved
Review of the Performance Management policy to ensure staff and managers are best supported.	Achieved
Develop an annualised training plan for career staff ranging from individual to team opportunities.	Partially Achieved
Review all data handling processes and data management across the organisation.	Partially Achieved
Conduct a digital systems review to ensure main system interfaces offer best value and service.	Achieved

This report was approved by the board and signed on its behalf.

.....
M D Pollard
Director

Date:

CARDIFF UNION SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2025

The directors present their report and the financial statements for the year ended 31 July 2025.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- 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 Company will continue in business.

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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,471,834 (2024 - loss £432,044).

Future Developments

The company's parent charity has commenced work on the development of its next strategic plan, which is due to end in 2025, with an initial focus on identifying opportunities that strengthen future funding and deliver commercial benefits alongside enhanced student impact. Scoping work has been undertaken to explore potential areas of collaboration with Cardiff University, providing a foundation for further development.

CARDIFF UNION SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

Directors

The directors who served during the year were:

E H Chamberlain
M E Elliott (appointed 1 July 2025)
D J Palmer
M D Pollard (appointed 1 July 2025)
J A Sadgrove
J L Tandy (appointed 1 July 2025)
S Vedi (appointed 12 November 2024)
H W Whittaker (appointed 1 July 2025)
G K Spry (resigned 30 June 2025)
M L Panes (resigned 30 June 2025)
M P J Hutchinson (resigned 30 June 2025)

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 group holds the following awards:

- 2nd Place in WhatUni Student Choice Awards 2024-2025 for Best Students' Union in the UK
- Cynnig Cymraeg accreditation achieved in 2024

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 organisational priorities system.

Qualifying third party indemnity provisions

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

CARDIFF UNION SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025**

Disclosure of information to auditors

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

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

This report was approved by the board and signed on its behalf.

.....
M D Pollard
Director

Date:

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

Opinion

We have audited the financial statements of Cardiff Union Services Limited (the 'Company') for the year ended 31 July 2025, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 2025 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 United Kingdom, including the Financial Reporting Council'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

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.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARDIFF UNION SERVICES LIMITED
(CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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.

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

Matters on which we are required to report by exception

In the light of 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 Directors' Report.

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

- adequate accounting records have not been kept, 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 Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARDIFF UNION SERVICES LIMITED
(CONTINUED)**

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 an Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual, potential or suspected litigation, claims, non-compliance with applicable laws and regulations and fraud.
- Review of legal and professional fees for evidence of legal work undertaken or fines/penalties incurred.
- Reviewing of financial statements disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business; and
- An assessment of the methodologies used in order to calculate the estimate/provision at the year end for evidence of bias.
- The accounting policy was checked to the financial reporting standards where necessary and confirmed to be appropriate;
- Evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
- Discussions amongst the engagement team in relation to how and where fraud might occur in the financial statements and any potential indicators of fraud;
- Discussions with management over any potential or suspected fraud.
- Performing audit work over the recognition of revenue on deliveries of goods/income/services occurring at the year end to provide assurance over cut-off;
- Performing substantive tests of detail over the completeness/existence of income within the financial system;
- Performing substantive analytical review procedures reconciling expected income from corroborating evidence to that which had been recorded in the financial statements to ensure that income was complete.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

CARDIFF UNION SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARDIFF UNION SERVICES LIMITED
(CONTINUED)

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 an Auditors' 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Rachel Doyle ACA DChA (Senior Statutory Auditor)
for and on behalf of
MHA, Statutory Auditor
Swansea, United Kingdom
Date:

CARDIFF UNION SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2025

	Note	2025 £	2024 £
Turnover	3	5,543,935	5,807,849
Cost of sales		(2,905,716)	(3,048,658)
Gross profit		2,638,219	2,759,191
Administrative expenses		(4,957,414)	(5,109,204)
Exceptional administrative expenses	11	(769,845)	-
Other operating income	4	3,178,073	2,052,670
Operating profit/(loss)	5	89,033	(297,343)
Interest receivable	8	11,014	12,095
Pension discounting costs	10	(213,239)	(146,796)
Pension actuarial movement		1,585,026	-
Profit/(loss) before tax		1,471,834	(432,044)
Profit/(loss) for the financial year		1,471,834	(432,044)

The notes on pages 14 to 27 form part of these financial statements.

CARDIFF UNION SERVICES LIMITED
REGISTERED NUMBER: 02287517

BALANCE SHEET
AS AT 31 JULY 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	11,829,213	11,806,512
Investments	13	60,000	60,000
		<u>11,889,213</u>	<u>11,866,512</u>
Current assets			
Stocks	14	82,582	102,608
Debtors: amounts falling due within one year	15	475,234	503,961
Cash at bank and in hand		348,066	384,999
		<u>905,882</u>	<u>991,568</u>
Creditors: amounts falling due within one year	16	(2,201,147)	(2,114,733)
Net current liabilities		<u>(1,295,265)</u>	<u>(1,123,165)</u>
Total assets less current liabilities		<u>10,593,948</u>	<u>10,743,347</u>
Creditors: amounts falling due after more than one year	19	(3,004,000)	-
Pension liability		-	(4,625,233)
Net assets		<u><u>7,589,948</u></u>	<u><u>6,118,114</u></u>
Capital and reserves			
Profit and loss account		1,707,636	1,929,220
Revaluation reserve		8,676,312	8,814,127
Pension reserve		-	(4,625,233)
Loan fund		(3,004,000)	-
Capital repairs and maintenance designated fund		210,000	-
		<u><u>7,589,948</u></u>	<u><u>6,118,114</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
M D Pollard
Director

Date:

The notes on pages 14 to 27 form part of these financial statements.

CARDIFF UNION SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2025

	Loan Fund	Revaluation reserve	Capital repairs and maintenance designated fund	Pension reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 August 2023	-	9,183,828	-	(4,821,724)	2,188,054	6,550,158
Loss for the year	-	-	-	-	(432,044)	(432,044)
Movement in pension liability	-	-	-	196,491	(196,491)	-
Transfer excess depreciation	-	(369,701)	-	-	369,701	-
At 1 August 2024	-	8,814,127	-	(4,625,233)	1,929,220	6,118,114
Profit for the year	-	-	-	-	1,471,834	1,471,834
Designations	-	-	210,000	-	(210,000)	-
Pension s75 buyout loan	(2,893,000)	-	-	2,893,000	-	-
Movement pension liability	(111,000)	-	-	360,446	(249,446)	-
Pension Revaluation	-	-	-	1,371,787	(1,371,787)	-
Transfer excess depreciation	-	(137,815)	-	-	137,815	-
At 31 July 2025	(3,004,000)	8,676,312	210,000	-	1,707,636	7,589,948

The notes on pages 14 to 27 form part of these financial statements.

CARDIFF UNION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

1. General information

Cardiff Union Services Limited is a private company, limited by guarantee without share capital, registered in England and Wales. The company's registered number is 02287517 and the registered address is Cardiff University Students' Union, Park Place, Cardiff, CF10 3QN.

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.

Prior year adjustment

A prior year adjustment has been made to reclassify NUS credit scheme from non-current asset investments to other debtors.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

At 31 July 2025, the company reported net current liabilities of £1,295,265 (2024: £1,123,165). 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 have also considered its principal liability is to its parent charity. The directors have no reason to believe that the parent charity will demand repayment of the amount if it would have an adverse effect to its subsidiary. The directors are satisfied that it is appropriate for the company's financial statements to be prepared on a going concern basis.

2.3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

2. Accounting policies (continued)

2.4 Turnover

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

2.5 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

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	- 2-5 years straight line
Computer equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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.

2.7 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

2. Accounting policies (continued)

2.8 Investments

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

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 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.

2.11 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

2. Accounting policies (continued)**2.12 Pension costs and other post-retirement benefits**

The company participated in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund was 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 operated as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities could be directly attributed to the Union. Where a plan had been agreed to fund an identified deficit, a liability was 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 settled its defined benefit pension scheme within the year.

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.

2.13 Employee benefits

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

2.14 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.

2.15 Significant Accounting Judgement and Estimates

Estimates and judgments 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.

2.16 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 lease.

CARDIFF UNION SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

2. Accounting policies (continued)**2.17 Government grants**

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

2.18 Concessionary loans

The charity has received concessionary loans for the purpose of furthering charitable objectives. The terms of repayment include interest rates which are below the prevailing market rate. The charity has opted to treat such loans as concessionary loans and accounted for them at transaction cost, rather than at fair value.

3. Turnover

The turnover and profit (2024 - loss) before taxation are attributable to the one principal activity of the company.

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

	2025 £	2024 £
Entertainment and venue	865,369	966,941
Bars and food	3,190,376	3,283,096
Advertising	162,415	157,234
Letting agency	701,857	620,451
Rental Income	320,862	371,883
Retail Shop	250,751	270,351
Other	52,305	137,893
	<u>5,543,935</u>	<u>5,807,849</u>

An analysis of turnover by geographical market is given below:

	2025 £	2024 £
United Kingdom	5,543,935	5,807,849
	<u>5,543,935</u>	<u>5,807,849</u>

CARDIFF UNION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

4. Other operating income

	2025 £	2024 £
Block Grant	1,840,000	1,653,000
Project Specific Grant Income	1,163,015	231,152
Supplemental Block Grant	175,058	168,518
	<u>3,178,073</u>	<u>2,052,670</u>

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2025 £	2024 £
Depreciation of tangible fixed assets	557,185	781,640
Loss on disposal of fixed assets	1,208	376
Auditors' remuneration - Audit fee	8,440	7,750
Auditors' remuneration - Taxation fee	645	595
Auditors' remuneration - Other services	2,580	2,450
Operating leases	13,858	10,384
Equipment hire	114,428	163,662
	<u>698,344</u>	<u>966,857</u>

CARDIFF UNION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

6. Employees

Staff costs were as follows:

	2025 £	2024 £
Wages and salaries	3,034,217	2,916,801
Social security costs	245,956	216,948
Pension Costs	72,256	66,992
	<u>3,352,429</u>	<u>3,200,741</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2025 No.	2024 No.
Administration and support	91	84
Direct Staff	189	188
	<u>280</u>	<u>272</u>

7. Directors' remuneration

	2025 £	2024 £
Directors' Remuneration	102,011	98,548
Directors' pension contributions	1,321	1,321
	<u>103,332</u>	<u>99,869</u>

The number of directors to whom retirement benefits were accruing was 1 (2024 - 1).

8. Interest receivable

	2025 £	2024 £
Other interest receivable	11,014	12,095
	<u>11,014</u>	<u>12,095</u>

CARDIFF UNION SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

9. Taxation

No liability to UK corporation tax arose for the year ended 31 July 2025 nor for the year ended 31 July 2024.

10. Other finance costs

	2025 £	2024 £
Defined benefit pension scheme - unwinding of discount	213,239	146,796
	<u>213,239</u>	<u>146,796</u>

The above represents the change in present value of the future deficit contributions towards the SUSS defined benefit pension scheme. See note 18 for further details.

11. Exceptional items

	2025 £	2024 £
RAAC Roof repairs	769,845	-
	<u>769,845</u>	<u>-</u>

CARDIFF UNION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

12. Tangible fixed assets

	Long-term leasehold property £	Work in progress £	Office equipment £	Computer equipment £	Leasehold improvements £	Total £
Cost or valuation						
At 1 August 2024	14,000,000	274,599	500,369	91,020	3,533,956	18,399,944
Additions	-	539,569	36,536	4,988	-	581,093
Disposals	-	-	(125,637)	(20,099)	-	(145,736)
Transfers between classes	-	(724,884)	34,332	-	690,552	-
At 31 July 2025	14,000,000	89,284	445,600	75,909	4,224,508	18,835,301
Depreciation						
At 1 August 2024	5,185,873	-	398,497	87,593	921,469	6,593,432
Charge for the year on owned assets	137,185	-	57,345	2,300	360,355	557,185
Disposals	-	-	(124,430)	(20,099)	-	(144,529)
At 31 July 2025	5,323,058	-	331,412	69,794	1,281,824	7,006,088
Net book value						
At 31 July 2025	8,676,942	89,284	114,188	6,115	2,942,684	11,829,213
At 31 July 2024	8,814,127	274,599	101,872	3,427	2,612,487	11,806,512

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

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2025 £	2024 £
Cost	1,554,978	1,554,978
Accumulated depreciation	(1,554,978)	(1,554,978)
Net book value	-	-

CARDIFF UNION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

13. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 August 2024 (as previously stated)	71,563
Prior Year Adjustment	(11,563)
	<hr/>
At 1 August 2024 (as restated)	60,000
	<hr/>
At 31 July 2025	60,000
	<hr/> <hr/>

The above unlisted investments relate to Welsh Rugby Union Debentures.

14. Stocks

	2025 £	2024 £
Venues - wet stock & food	38,546	36,792
Retail stock	44,036	65,816
	<hr/>	<hr/>
	82,582	102,608
	<hr/> <hr/>	<hr/> <hr/>

15. Debtors

	2025 £	2024 £
Trade debtors	245,068	332,396
Other debtors	140,278	33,651
Prepayments and accrued income	89,888	137,914
	<hr/>	<hr/>
	475,234	503,961
	<hr/> <hr/>	<hr/> <hr/>

CARDIFF UNION SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

16. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	812,890	469,232
Amounts owed to group undertakings	348,747	792,932
Other taxation and social security	155,303	119,345
Other creditors	259,847	290,197
Accruals and deferred income	624,360	443,027
	<u>2,201,147</u>	<u>2,114,733</u>

17. Leasing commitments

	2025 £	2024 £
Within one year	4,410	4,723
Between one and five years	5,636	280
	<u>10,046</u>	<u>5,003</u>

18. Provisions for liabilities

	2025 £	2024 £
Balance at 1 August	4,625,233	4,821,724
Unwinding of discounted amount	213,239	146,796
Payments during the year	(3,253,447)	(343,287)
Revaluation	(1,585,025)	-
Balance at 31 July	<u>-</u>	<u>4,625,233</u>

In July 2025 the organisation exited the SUSS Pension scheme through a section 75 buyout.

See note 23 for further details.

CARDIFF UNION SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

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

	2025 £	2024 £
Amounts owed to group undertakings	3,004,000	-
	<u>3,004,000</u>	<u>-</u>

The amount shown is in relation to the funding of the section 75 buyout from the SUSS Pension scheme.

20. Related party transactions

At 31 July 2025 the company owed £3,352,747 (2024: £792,932) to Cardiff University Students' Union, the ultimate parent charity.

£3,004,000 of this related to a new loan drawn down in the year by the parent company and advanced to the subsidiary company to repay the pension liability.

21. Capital and other commitments

	2025 £	2024 £
Contracted but not provided for in the financial statements	991,316	89,395
	<u>991,316</u>	<u>89,395</u>

The commitment in the current year is in respect of contractor works towards the RAAC roof repair.

The commitment in the previous year was in respect of contractor works for a second passenger lift installation.

22. Controlling party

The company is a 100% subsidiary of Cardiff University Student's 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

23. Pension commitments

Up until 24th June 2025 the company participated 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 2022 and showed that the market value of the Scheme's assets was £106.7m with these assets representing 44% 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 £136.6m which reported a decrease to the previous 2019 valuation deficit of £140.9m.

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 2019 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 August 2035. The 2022 actuarial valuation recommended extending this period to 1 May 2037. Employer contributions are expected to increase at a rate of 5% per annum annually in October.

In addition to the above contributions, the company also paid its share of the scheme's levy and associated expenses to the Pension Protection Fund.

During the year with the benefit of an interest free loan from Cardiff University, the organisation ceased to participate in the scheme by means of a section 75 exit on 24th June 2025.

Prior to exiting the total contributions paid into the scheme by the Union in respect of eligible employees amounted to £360,447 which are all deficit contributions (2024: £343,287). At the year end as a result of the section 75 buy out there was nil liability to the scheme (2024: £4,625,233).

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 company to the fund and amounted to £72,256 (2024: £66,992). At the year end there were outstanding contributions of £19,077 (2024: £16,995).

CARDIFF UNION SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

24. Concessionary loans

On the 24th June 2025 the organisation ceased to participate in the SUSS pension scheme due to a section 75 buyout which was facilitated by the means of a loan from Cardiff University to the parent Charity company. The loan provided totalled £3,004,000, which included the section 75 buy out figure of £2,893,000 plus associated fees. The loan is made on an interest free basis with repayments over a 12 year period commencing in August 2026.

The loan with Cardiff University is being treated as a concessionary loan. Included within the loan agreement is that the University under condition could request repayment on demand. The loan carrying value has therefore not been adjusted to fair value.

If the loan however had been adjusted to fair value the following amounts would have been included within the accounts to adjust to fair value (based on Bank of England base rate at August 2025 of 4% which is the assumed interest benefit amount):

Notional interest adjustments each year	B/fwd	Interest @ 4.00%	Discount to FV	Repayments	C/fwd
	£	£	£	£	£
2025/26	3,004,000	90,362	- 744,962	-	2,349,400
2026/27	2,349,400	93,976	-	250,348	2,193,028
2027/28	2,193,028	87,721	-	250,332	2,030,417
2028/29	2,030,417	81,217	-	250,332	1,861,301
2029/30	1,861,301	74,452	-	250,332	1,685,421
2030/31	1,685,421	67,417	-	250,332	1,502,506
2031/32	1,502,506	60,100	-	250,332	1,312,275
2032/33	1,312,275	52,491	-	250,332	1,114,434
2033/34	1,114,434	44,577	-	250,332	908,679
2034/35	908,679	36,347	-	250,332	694,694
2035/36	694,694	27,788	-	250,332	472,150
2036/37	472,150	18,886	-	250,332	240,704
2037/38	240,704	9,628	-	250,332	-

CARDIFF UNION SERVICES LIMITED

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2025

	Note	2025 £	2024 £
Turnover		5,543,935	5,807,849
Cost Of Sales		(2,905,716)	(3,048,658)
Gross profit		2,638,219	2,759,191
Gross profit %		47.6 %	47.5 %
Other operating income		3,178,073	2,052,670
Less: overheads			
Administration expenses		(5,727,259)	(5,109,204)
Operating profit/(loss)		89,033	(297,343)
Interest receivable		11,014	12,095
Pension discounting costs		(213,239)	(146,796)
Pension actuarial movement		1,585,026	-
Profit/(Loss) for the year		1,471,834	(432,044)

CARDIFF UNION SERVICES LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS FOR THE YEAR ENDED 31 JULY 2025

	2025 £	2024 £
Turnover		
Bars and Food	3,190,376	3,283,096
Entertainment and venue	865,369	966,941
Letting agency	701,857	620,451
Rental income	320,862	371,883
Advertising	162,415	157,234
Retail shop	250,751	270,351
Other	52,305	137,893
	<u>5,543,935</u>	<u>5,807,849</u>
	2025 £	2024 £
Cost of sales		
Direct cost of sales	2,203,902	2,348,349
Direct staff costs	687,113	689,272
National insurance	13,677	10,504
Pension costs	1,024	533
	<u>2,905,716</u>	<u>3,048,658</u>
	2025 £	2024 £
Other operating income		
Block grant	1,840,000	1,653,000
Supplemental block grant	175,058	168,518
Project specific grant income	1,163,015	231,152
	<u>3,178,073</u>	<u>2,052,670</u>

CARDIFF UNION SERVICES LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2025**

	2025 £	2024 £
Administration expenses		
Staff salaries	2,347,104	2,227,529
Staff national insurance	232,279	206,444
Staff pension costs	71,232	66,459
Staff welfare	64,471	51,731
Motor running costs	18,908	18,409
Printing and stationery	1,620	2,786
Computer costs	40,686	39,459
Advertising and promotion	54,091	53,335
Legal and professional	14,581	21,405
Auditors' remuneration	11,665	10,750
Equipment hire	114,428	163,662
Bank charges	13,982	17,172
Bad debts	20,076	(1,217)
Rates	2,166	6,015
Insurances	127,650	116,881
Sundry establishment expenses	699	1,122
Depreciation - office equipment	57,345	48,360
Depreciation - computer equipment	2,300	8,413
Depreciation - other fixed assets	497,540	724,866
Profit/loss on sale of tangible assets	1,208	376
Communications costs	147,647	137,978
Consultancy fees	97,598	38,054
Agency staff costs	433	9,782
Staff recruitment	2,915	3,298
Irrecoverable VAT	21,004	2,531
Facility costs	632,198	645,341
Lease costs	13,858	10,384
Utility costs	314,318	443,789
Apprenticeship levy	17,418	17,229
Other corporate costs	15,994	16,861
Exceptional expenditure	769,845	-
	5,727,259	5,109,204

CARDIFF UNION SERVICES LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2025**

	2025 £	2024 £
Interest receivable		
Interest receivable	11,014	12,095
	11,014	12,095
	2025 £	2024 £
Interest payable		
Defined benefit pension scheme - unwinding of discount	213,239	146,796
	213,239	146,796
	2025 £	2024 £
Other finance income		
Fair value movements - Pensions	1,585,026	-
	1,585,026	-