

CARDIFF UNION SERVICES LIMITED
STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

CARDIFF UNION SERVICES LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	5
Report of the Independent Auditors	7
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12
Trading and Profit and Loss Account	21

DIRECTORS:

D J Palmer
J A Sadgrove
M P J Hutchinson
G K Spry
M L Panes
E H Chamberlain

REGISTERED OFFICE:

Cardiff University Students' Union
Park Place
Cardiff
County of Cardiff
CF10 3QN

REGISTERED NUMBER:

02287517 (England and Wales)

AUDITORS:

MHA
Chartered Accountants and Statutory Auditor
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 2024.

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 in the year, however cost of sales increased and other operating income decreased resulting in an operating loss of £297,343 (2023: operating surplus of £462,201).

During the year turnover increased to £5,807,849 (2023: £5,515,116). Inflationary cost pressures were significant in the year coupled with urgent roof repairs which has meant that operating surpluses were down on the prior year. The gross profit level was £2,759,189 (2023: £2,517,348). The Entertainment and Lettings businesses reached new turnover performance highs of £966,941 and £620,451 respectively.

In January 2024 the directors extended the length of the lease of the University Union building by a further 50 years to 2088. This has led to reduced depreciation charges for the asset. The directors are satisfied that cash profits will be generated to support the parent charity's charitable objectives. The directors continue to invest significantly in the building. In recent years this investment has increased capacity within our commercial operations. The space enhances the student experience of our charitable parent company. Funding for the improvement work is via substantial grants from Cardiff University coupled with use of the organisation's own group reserves.

The directors have continued to strengthen the company's balance sheet. This follows a period of erosion caused by the recognition of future pension liabilities, the impact of depreciation of the Union building coupled with the impact of covid-19. The company reported net current liabilities of £1,134,728 (2023: net current liabilities £937,891) at year end and net assets of £6,118,114 (2023: £6,550,158). 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 a breakeven budget for 2024/25 and to return to operating profit from 2025/26 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 May 2037, 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 newly extended life of the existing lease, until 2088. The charge in 2023/24 was £369,701 (2023: £602,219). In future years the depreciation charge will reduce further to £137,185 per annum. The directors are satisfied that the valuation gives a fair reflection of the company's exploitable assets and potential for further business growth.

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 2023/24 are listed below with a statement of progress against them.

Objective	Outcome
Celebrate the successes of the new building developments and past building history	Partially achieved
Student safety development – initiatives aimed at reviewing key democratic policy developments and working with third parties	Partially achieved
To review partnership working across CU and CSU across key projects and improve key relationships	Achieved
Create an annual social program of events focused on non-club night activity. Including utilising zorbs, crazy golf, outdoor cinema, laser tag to allow students to socialise in a non-drink focused setting	Partially achieved
Ensure the Students' Union spaces and facilities are fully utilised throughout the academic calendar. Ensuring bookings are efficiently agreed and new initiatives are developed to further support student groups in the spaces.	Achieved
Provide support to students to improve their housing experience and research alternative student housing rent structures, including a Union-led student housing feasibility study	Achieved
Produce a wider harm reduction project team to look at how the Students' Union creates a series of initiatives aimed at supporting harm reduction activity without negatively impacting trading activity	Achieved
The priority capital development areas of Roof Surfacing, Solar Panels and Second lift feasibility will each to progressed to at least decision package stage	Achieved
Work with the University on longer term planning: Work with the University to develop a basis of block grant and capital funding that allows us to strategically plan into the medium to longer term	Partially achieved

Objective	Outcome
Develop a long-term sustainability plan, with the aims of combatting rising fuel prices and reducing overall waste	Partially achieved
Develop a blended induction and ongoing engagement process which is used for all volunteers, casual / career staff and trustees	Not achieved
Implement a series of improvements to "ways of working" capturing feedback from employees to assist with improving the planning, communication and team working of the organisation	Partially achieved
Review the Graduate Intern Scheme programme after year two, ensuring continuation of the scheme where value has been added	Achieved
Review all data handling processes and data management across the organisation	Partially achieved
Deliver key growth in digital advertising, by reviewing current policies and implementing a new screen strategy to maximise sales opportunities	Achieved
Conduct digital systems review	Partially achieved

ON BEHALF OF THE BOARD:

.....
M P J Hutchinson - Director

Date:

The directors present their report with the financial statements of the company for the year ended 31 July 2024.

DIVIDENDS

No dividends will be distributed for the year ended 31 July 2024.

FUTURE DEVELOPMENTS

The company's parent charity launched its new strategic plan and updated 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. 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 Centre for Student Life building which opened in 2021. Further details can be found on our website: <https://www.cardiffstudents.com/about/hwr/our-strategy/>. Over the next academic year the organisation is undertaking a review of the strategic plan for beyond 2025 the development of which will again involve engagement with relevant stakeholders.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2023 to the date of this report.

D J Palmer
J A Sadgrove
M P J Hutchinson

Other changes in directors holding office are as follows:

E L Howells - resigned 30 June 2024
C Endall - resigned 25 June 2024
A I G Meers - resigned 23 February 2024
A J Flores Acuña - resigned 30 June 2024
G K Spry - appointed 25 June 2024
M L Panes - appointed 1 July 2024
E H Chamberlain - appointed 1 July 2024

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 2022-2024 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 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.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2024

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.

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:


.....
M P J Hutchinson - Director

Date: 20/11/24

Opinion

We have audited the financial statements of Cardiff Union Services Limited (the 'company') for the year ended 31 July 2024 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 2024 and of its loss 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

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.

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.

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.

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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 Report of the Auditors.

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 MHA
Chartered Accountants and Statutory Auditor
CARDIFF
CF23 8RS

Date:

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership
in England and Wales (registered number OC312313)

CARDIFF UNION SERVICES LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2024**

	Notes	2024 £	2023 £
TURNOVER	3	5,807,849	5,515,116
Cost of sales		<u>(3,048,660)</u>	<u>(2,997,768)</u>
GROSS PROFIT		2,759,189	2,517,348
Administrative expenses		<u>(5,109,202)</u>	<u>(4,808,546)</u>
		(2,350,013)	(2,291,198)
Other operating income	4	<u>2,052,670</u>	<u>2,753,399</u>
OPERATING (LOSS)/PROFIT	6	(297,343)	462,201
Interest receivable and similar income		<u>12,095</u>	<u>15,187</u>
		(285,248)	477,388
Interest payable and similar expenses	7	-	(6,446)
Other finance costs		<u>(146,796)</u>	<u>(390,908)</u>
(LOSS)/PROFIT BEFORE TAXATION		(432,044)	80,034
Tax on (loss)/profit	8	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(432,044)	80,034
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(432,044)</u>	<u>80,034</u>

The notes form part of these financial statements

BALANCE SHEET
31 JULY 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Tangible assets	10	11,806,512	12,238,210
Investments	11	71,563	71,563
		<u>11,878,075</u>	<u>12,309,773</u>
CURRENT ASSETS			
Stocks	12	102,608	136,326
Debtors	13	492,398	376,458
Cash at bank and in hand		<u>384,999</u>	<u>469,125</u>
		980,005	981,909
CREDITORS			
Amounts falling due within one year	14	<u>(2,114,733)</u>	<u>(1,919,800)</u>
NET CURRENT LIABILITIES		<u>(1,134,728)</u>	<u>(937,891)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,743,347	11,371,882
PENSION LIABILITY		<u>(4,625,233)</u>	<u>(4,821,724)</u>
NET ASSETS		<u>6,118,114</u>	<u>6,550,158</u>
RESERVES			
Revaluation reserve		8,814,127	9,183,828
Pension reserve		(4,625,233)	(4,821,724)
Retained earnings		<u>1,929,220</u>	<u>2,188,054</u>
		<u>6,118,114</u>	<u>6,550,158</u>

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

.....
D J Palmer - Director

.....
M P J Hutchinson - Director

The notes form part of these financial statements

CARDIFF UNION SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2024**

	Retained earnings £	Revaluation reserve £	Pension reserve £	Total equity £
Balance at 1 August 2022.	1,441,830	9,786,047	(4,757,753)	6,470,124
Changes in equity				
Transfer of excess depreciation	602,219	(602,219)	-	-
Movement in pension liability	63,971	-	(63,971)	-
Total comprehensive income	<u>80,034</u>	<u>-</u>	<u>-</u>	<u>80,034</u>
Balance at 31 July 2023	<u>2,188,054</u>	<u>9,183,828</u>	<u>(4,821,724)</u>	<u>6,550,158</u>
Changes in equity				
Transfer of excess depreciation	369,701	(369,701)	-	-
Movement in pension liability	(196,491)	-	196,491	-
Total comprehensive income	<u>(432,044)</u>	<u>-</u>	<u>-</u>	<u>(432,044)</u>
Balance at 31 July 2024	<u>1,929,220</u>	<u>8,814,127</u>	<u>(4,625,233)</u>	<u>6,118,114</u>

The notes form part of these financial statements

1. **STATUTORY 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 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 2024 the company reported net current liabilities of £1,134,728 (2023: £937,891). 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	2- 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.

3. TURNOVER

The turnover and loss (2023 - profit) before taxation are attributable to the one principal activity of the company.

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

	2024	2023
	£	£
Bars and food	3,283,096	3,337,735
Entertainment and venue	966,941	794,925
Retail shop	270,351	273,032
Letting agency	620,451	571,892
Rental income	371,883	340,992
Advertising	157,234	146,341
Other	137,893	50,199
	<u>5,807,849</u>	<u>5,515,116</u>

An analysis of turnover by geographical market is given below:

	2024	2023
	£	£
United Kingdom	<u>5,807,849</u>	<u>5,515,116</u>
	<u>5,807,849</u>	<u>5,515,116</u>

4. OTHER OPERATING INCOME

	2024	2023
	£	£
Block grant	1,653,000	1,536,000
Supplemental block grant	168,518	1,213,304
Passenger lift grant	231,152	-
Department of Work and Pensions	-	4,095
	<u>2,052,670</u>	<u>2,753,399</u>

5. EMPLOYEES AND DIRECTORS

	2024	2023
	£	£
Wages and salaries	2,916,801	2,869,804
Social security costs	216,948	207,367
Pension costs	66,992	60,977
	<u>3,200,741</u>	<u>3,138,148</u>

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

	2024	2023
	No.	No.
Administration and support	84	92
Direct staff	188	211
	<u>272</u>	<u>303</u>

EMPLOYEES AND DIRECTORS - continued

	2024	2023
	£	£
Directors' remuneration	98,548	95,432
Directors' pension contributions to defined contribution schemes	<u>1,321</u>	<u>1,321</u>

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

<u>1</u>	<u>1</u>
----------	----------

6. OPERATING (LOSS)/PROFIT

The operating loss (2023 - operating profit) is stated after charging:

	2024	2023
	£	£
Depreciation - owned assets	781,640	976,575
Loss on disposal of fixed assets	376	78
Auditors' remuneration	10,750	10,000
Operating leases: lease payments recognised as an expense	<u>5,234</u>	<u>8,271</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2024	2023
	£	£
Bank interest	<u>-</u>	<u>6,446</u>

8. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 July 2024 nor for the year ended 31 July 2023.

9. OTHER FINANCE COSTS/ (INCOME)

	2024	2023
	£	£
Defined benefit pension scheme - unwinding of discount	<u>146,796</u>	<u>390,908</u>

The above represents the change in present value of the future deficit contributions towards the SUSS defined benefit pension scheme. See note 16 for further details.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2024

10. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Long leasehold property £	Equipment £
COST			
At 1 August 2023	3,482,268	14,000,000	524,902
Additions	-	-	44,491
Disposals	-	-	(69,024)
Reclassification/transfer	51,688	-	-
At 31 July 2024	<u>3,533,956</u>	<u>14,000,000</u>	<u>500,369</u>
DEPRECIATION			
At 1 August 2023	566,305	4,816,172	419,161
Charge for year	355,164	369,701	48,360
Eliminated on disposal	-	-	(69,024)
At 31 July 2024	<u>921,469</u>	<u>5,185,873</u>	<u>398,497</u>
NET BOOK VALUE			
At 31 July 2024	<u>2,612,487</u>	<u>8,814,127</u>	<u>101,872</u>
At 31 July 2023	<u>2,915,963</u>	<u>9,183,828</u>	<u>105,741</u>
	Work in progress £	Computer equipment £	Totals £
COST			
At 1 August 2023	23,178	124,172	18,154,520
Additions	303,109	2,718	350,318
Disposals	-	(35,870)	(104,894)
Reclassification/transfer	(51,688)	-	-
At 31 July 2024	<u>274,599</u>	<u>91,020</u>	<u>18,399,944</u>
DEPRECIATION			
At 1 August 2023	-	114,672	5,916,310
Charge for year	-	8,415	781,640
Eliminated on disposal	-	(35,494)	(104,518)
At 31 July 2024	-	<u>87,593</u>	<u>6,593,432</u>
NET BOOK VALUE			
At 31 July 2024	<u>274,599</u>	<u>3,427</u>	<u>11,806,512</u>
At 31 July 2023	<u>23,178</u>	<u>9,500</u>	<u>12,238,210</u>

10. 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:

	2024	2023
	£	£
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>

11. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 August 2023 and 31 July 2024	<u>71,563</u>
NET BOOK VALUE	
At 31 July 2024	<u>71,563</u>
At 31 July 2023	<u>71,563</u>

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

12. STOCKS

	2024	2023
	£	£
Venues- wet stock and food	36,792	26,541
Retail stock	<u>65,816</u>	<u>109,785</u>
	<u>102,608</u>	<u>136,326</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	332,396	136,858
Other debtors	22,088	5,908
Prepayments and accrued income	<u>137,914</u>	<u>233,692</u>
	<u>492,398</u>	<u>376,458</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	469,232	251,197
Amounts owed to group undertakings	792,932	876,023
Social security and other taxes	98,539	101,981
VAT	20,801	84,355
Other creditors	290,202	93,975
Accruals and deferred income	<u>443,027</u>	<u>512,269</u>
	<u>2,114,733</u>	<u>1,919,800</u>

15. LEASING AGREEMENTS

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

	2024	2023
	£	£
Within one year	4,723	4,723
Between one and five years	<u>280</u>	<u>5,003</u>
	<u>5,003</u>	<u>9,726</u>

16. PROVISIONS FOR LIABILITIES

	Pension provision £
Balance at 1 August 2023	4,821,724
Unwinding of discounted amount	146,796
Payments during the year	<u>(343,287)</u>
Balance at 31 July 2024	<u>4,625,233</u>

See Note 20 for further details.

17. 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.

18. CAPITAL COMMITMENTS

	2024	2023
	£	£
Contracted but not provided for in the financial statements	<u>89,395</u>	<u>-</u>

The above capital commitment is in respect of contractor works for a second passenger lift installation.

19. RELATED PARTY DISCLOSURES

At 31 July 2024 the company owed £792,932 (2023: £876,023) to Cardiff University Students' Union, the ultimate parent company.

20. 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 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 an 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 recommends 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 pays its share of the scheme's levy and associated expenses to the Pension Protection Fund.

The total contributions paid into the scheme by the Union in respect of eligible employees for the year ended 31 July 2024 amounted to £343,287 which are all deficit contributions (2023: £326,937). At the year end a liability was recognised for the present value of the contributions payable of £4,625,233 (2023: £4,821,724).

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 £66,992 (2023: £60,977). At the year end there were outstanding contributions of £16,995 (2023: £6,283).

CARDIFF UNION SERVICES LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2024

	2024		2023	
	£	£	£	£
Sales		5,807,849		5,515,116
Cost of sales				
Direct cost of sales	2,348,351		2,310,754	
Direct staff costs	<u>700,309</u>		<u>687,014</u>	
		<u>3,048,660</u>		<u>2,997,768</u>
GROSS PROFIT		2,759,189		2,517,348
Other income				
Grant income	2,052,670		2,753,399	
Interest receivable	<u>12,095</u>		<u>15,187</u>	
		<u>2,064,765</u>		<u>2,768,586</u>
		4,823,954		5,285,934
Expenditure				
Insurance	116,881		100,691	
Non-direct staff costs	2,500,432		2,451,134	
Agency staff costs	9,782		12,363	
Apprenticeship levy	17,229		18,180	
Staff welfare (including training and development)	51,731		59,918	
Utility costs	443,789		298,585	
Facility costs	645,343		392,093	
Equipment costs	163,662		124,651	
Rates	6,015		2,952	
Marketing costs	53,335		68,305	
Travel and motor costs	18,409		13,379	
Communication costs (including subscriptions)	137,978		144,116	
Sundry expenses	1,126		608	
Consultancy fees	38,054		26,542	
Staff recruitment	3,298		10,906	
Other corporate costs	16,861		15,568	
Bad debts	(1,217)		(6,464)	
Irrecoverable VAT	2,531		5,563	
Lease costs	10,384		8,271	
Stationery costs	2,786		2,585	
IT costs	39,459		40,178	
Legal and professional fees	21,405		16,464	
Auditors' remuneration	10,750		10,000	
Depreciation of tangible fixed assets	781,631		976,574	
Profit/loss on sale of tangible fixed assets	<u>376</u>		<u>78</u>	
		<u>5,092,030</u>		<u>4,793,240</u>
		(268,076)		492,694
Finance costs				
Bank charges	7,321		8,426	
Credit card fees	1,562		1,473	
Sundry admin charges	8,289		5,407	
Bank interest	<u>-</u>		<u>6,446</u>	
		<u>17,172</u>		<u>21,752</u>
Carried forward		(285,248)		470,942

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 2024**

	2024		2023	
	£	£	£	£
Brought forward		(285,248)		470,942
Other finance income/costs				
Defined benefit pension scheme				
- unwinding of discount		<u>(146,796)</u>		<u>(390,908)</u>
NET (LOSS)/PROFIT		<u>(432,044)</u>		<u>80,034</u>

This page does not form part of the statutory financial statements