

REGISTERED COMPANY NUMBER: 07003324 (England and Wales)
REGISTERED CHARITY NUMBER: 1148990

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2020
FOR
CARDIFF MET STUDENTS' UNION**

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

CARDIFF MET STUDENTS' UNION

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FOR THE YEAR ENDED 30 JUNE 2020**

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CARDIFF MET STUDENTS' UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2020

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report together with the consolidated financial statements of the charity and its subsidiary for the year ended 30 June 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of Cardiff Met Students' Union are:-

- the advancement of education of students at Cardiff Met University for the public benefit by:-
 - providing opportunities for the expression of student opinion and actively representing the interest of students;
 - acting as a channel of communication in dealing with Cardiff Met University and other external bodies;
 - facilitating the social, recreational and education interests of its Membership, through providing services and support for its Members; and
 - working with other Students' Unions and affiliated bodies.
- the advancement of student welfare and the relief of the needs of students at Cardiff Met University through:-
 - the provision of recreational and leisure time activities provided in the interests of social welfare designed to improve conditions of student life;
 - the provision of support and activities which develop skills, capacities and capabilities to participate in society as mature responsible individuals;
 - the provision of services to promote the wellbeing of Cardiff Met University students generally and as individuals in need.

Significant activities

Cardiff Met Students' Union meets these objects by offering the students at Cardiff Met University the following services:-

The provision of Recreational and Leisure Facilities

In this financial year the provision of recreational and leisure services by the Students Union has been curtailed from mid-March by Covid 19 which brought the activities of all our clubs and societies to an end with the lockdown of the University and the cancellation of their league and BUCS programmes.

During the first part of the academic year all our clubs participated in their respective National, local and BUCS leagues and we maintained the membership level of 1300 students participating and representing our clubs. A number of our teams progressed to the BUCS Big Wednesday event, which was scheduled to take place in Nottingham, but this had to be cancelled and those teams who reached their respective finals were awarded joint winner status.

Over the lockdown period our clubs continued to support their members with online training sessions and fitness classes.

The Annual Varsity event against Bath University which was scheduled to be held in April had to be cancelled and this will be rescheduled to take place in 2021.

A number of virtual events were provided during the lockdown period to provide students with some activities and engagement ranging from online quizzes to wellbeing and health sessions.

The provision of Support Services

Membership Services

This includes help and advice on academic issues, course representation and the provision of training and development courses that focus on enhancing the employability of students and which contributes to one of the key strategic aims of the University itself.

With the lockdown of the University and the cancellation of end of year exams and the graduation ceremonies, there was a significant increase in both communication and representation cases for our services. Much of this was done in conjunction with the University to ensure that students had a fair outcome from the change in assessments, and to ensure they received prompt and accurate information as they approached their final year with the University.

Much of the work of the Students Union officers and support staff reverted to working from home and being online with teams meetings becoming a regular part of the working week.

One of the highlights for our representation teams and societies is the annual achievement awards, which recognises those that have achieved or been particularly successful during the year, and this was moved to an online event, which in the circumstances was well received by the members.

CARDIFF MET STUDENTS' UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2020

OBJECTIVES AND ACTIVITIES (Cont'd)

At the start of the pandemic and the realisation that staff were going to need to work from home, we identified the key staff needed to ensure that we could support the members and ensured that they could function effectively from their home.

During the first term there was an increased focus of the provision of services to assist with mental health and wellbeing issues. We have delivered a number of Resilience and Wellbeing sessions alongside, and we had established plans to introduce wellbeing activators within selected clubs and societies as a pilot study before introducing it across all our affiliated organisations. This plan has been postponed until it can be fully delivered in 2021.

Clubs and Societies

The Students' Union promotes and supports a number of social and cultural societies which organise a range of trips, activities, events and social gatherings and are all run by students on a democratic basis.

This year we had seen the society membership fee establish itself after some initial problems and the societies had started to increase the range of activities and events that they had planned.

Both the number of societies and members had increased and by year-end we have over 450 registered members on our database.

The lockdown curtailed the activities of the societies as it did with our sports clubs with all activity being restricted to online events.

Media

The Students' Union utilises its website, Facebook and twitter media services as the primary means of communicating with its membership. The website provides a vehicle for making sure students are aware of the services that the Students' Union offers and can be used as a means of obtaining feedback on issues that may affect their day to day life at University.

The provision of Social Activities

Bars and shops

The Students' Union provides a number of cost competitive catering / bar operations, coffee shops and retail operations where students can relax and socialise.

All the social venues operated by the Students Union closed down in March 2020 and staff were placed on the Government's Job Retention Scheme for the remainder of the financial year.

In addition to losing the on campus / student business we also had to cancel all private functions and conferences that had been booked into our venues.

Futura Marketing and Promotions Limited

The charity's wholly owned subsidiary continued to undertake all non-charitable activity.

Public benefit

The organisation's trustees confirm that they have had due regard to public benefit guidance published by the Charity Commission. Significant activities that we undertook during the year that demonstrate public benefit are set out on the following pages.

ACHIEVEMENT AND PERFORMANCE

The closure of the University in March 2020 as a result of the pandemic and the national lockdown resulted in unprecedented pressure faced by both the Students' Union and our members.

The closure itself came at a time in the financial year when our trading levels in our commercial operations would be reduced, but our budgeted costs and expenditure, on maintaining the commercial operations, funding the end of the sporting year and delivering a number of high profile and expensive events were not incurred. As a result in placing a significant number of staff on the Job Retention Scheme and having to cancel the larger social events we were able to manage the financial position of the Students Union to ensure that we achieved a year end surplus.

In addition to this a core group of officers and staff worked from home throughout the lockdown period ensuring that we continued to function and provide our members with a high level of support, liaised with key units within the University and ensured that those students requiring support and representation received it.

In the early part of the academic year we continued to develop our Training & Development Initiative, provided high quality employability to students from across all Schools in the University. The Cardiff Met Award, which we provide recognises commitment of students who have undertaken a certain level of work, volunteering and training activities outside of their academic commitments. As a result of the closure of the University we supported the students signed up the Met award to enable them to complete the award.

CARDIFF MET STUDENTS' UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2020

ACHIEVEMENT AND PERFORMANCE (Cont'd)

In February 2020, in collaboration with the partnership office of the University, we organised a 3-day training event for a number of international students from the overseas partner institutions. This event has previously been recognised as industry leading, and we have continued to develop it so that it provides the students with the opportunity to see Cardiff Met and the city itself, and experience the quality of the training that we provide to our home students.

FINANCIAL REVIEW

Total income for the year to 30 June 2020 was £2,486,732 (2019 - £2,540,069). The expenditure for the year totalled £2,320,148 (2019 - £2,519,161), leaving a net surplus for the year of £166,584 before movement on the defined benefit pension scheme provision. An unwinding of the discounted defined benefit pension scheme provision of £92,410 (2019 - £16,151) has been reported. Net income for the year is reported as £74,174 (2019 - £4,757).

Against the challenging on campus commercial situation, we were able to generate an increase in revenue from our advertising, marketing and media sales. We renewed a number of annual sponsorship deals with external companies such as Dominoes and Endsleigh Insurances, which have maintained the projected income from external sources, and helps to under-pin our on-campus operations. These are negotiated at the start of each and in the main were unaffected by the closure.

Our on-campus operations themselves operated throughout the first 5 months of the academic year and the challenging economic climate and pressure on student finances, meant that we were having to rely on external functions to supplement the bar revenue and to subsidise the catering elements of the operations at an increasing level particularly at our Llandaff Campus.

As mentioned above, the closure of the Students Union in March mean that in addition to offsetting staff costs through the support received from the Job Retention Scheme, a number of high costs events were not able to take place and we therefore saved on this expenditure which helped the final end of year position.

Despite the financial challenges, the Students' Union has maintained its funding commitment for representation structure, and enhanced series of student campaign from our full and part time officers, its clubs and societies throughout the financial year and provisions have been made to develop and enhance the support for these operations in forthcoming years.

Reserves policy

The Board of Trustees has adopted a policy on reserves which aims to increase the reserves over the next five years to achieve sufficient reserves to ensure services can continue to meet all statutory and legal commitments for a minimum of three months. This would equate to approximately £500,000.

Total funds at the year end amounted to a negative total of £221,466 (this is after accounting in full for a pension provision of £528,818). At the year end there were no restricted fund balances. The charity has no free reserves.

The Students' Union will continue to budget for a managed surplus outcome each financial year, which whilst contributing to the policy of increasing its reserves will allow it to continue to provide the range of services and opportunities for its students that it exists for.

Principle risks and uncertainties

The principle risks and uncertainties that could affect the performance and viability of the Students' Union, primarily relate to the parent institution, particularly in respect of the continued central financial support through the block grant and the financial impact on the University itself from student retention issues. We have had confirmation from the University that our Block Grant funding remains at 2019/20 levels which provides us with a basis to plan for the 2020/21 financial year.

These risks will be part of the planning meetings that are held regularly with senior University management and if necessary, the Board of Governors, and as a Board of Trustees we will implement the necessary budgetary safeguards to ensure that we account for these uncertainties.

CARDIFF MET STUDENTS' UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2020

FINANCIAL REVIEW (Cont'd)

Factors likely to affect future financial performance

It has previously been highlighted that the commercial operations at the Llandaff Student Centre were requiring an increasing annual subsidy with only the Starbucks operation making a positive contribution to the overall accounts. It has now been agreed with the University that they will take back the building where these commercial operations are based for future estates development and will TUPE the staff so that there are no job losses from the units.

The on-going pandemic and the restrictions being introduced by Government will have implications on the services that the Students Union provides and potentially on the student body itself. We are actively engaged in all Covid planning decisions made by the University and can highlight any implications on the financial position of the Students Union at that forum.

Alongside this, our Financial Director is monitoring any Job Retention / Support scheme that is offered by the UK or Welsh Governments to ensure that we are able to access any appropriate financial support to protect the organisation.

The risks and uncertainties identified above could be a factor that would affect the financial performance of the Students' Union. As a Board of Trustees, we will monitor these factors and make the necessary plans to deal with them.

There will be an increased focus on strengthening the commercial performance of our on-campus operations, and there will be a greater focus on developing additional revenue from external sources.

Principal funding sources

Cardiff Met University has provided grant funding in the amount of £915,720 to support the services offered by the Students' Union.

FUTURE PLANS

The major change in operations and financial position will be from the transfer of the Llandaff commercial operations through a TUPE arrangement across to the University. These operations were becoming increasingly challenging to maintain and operate with a reducing student business and very little trade outside of term time.

The transfer had originally been intended to take place by March 2021, however the impact of Covid 19 on the number of students on campus at the start of the academic year showed that this would become a major drain on our resources and after consultation with the University this transfer has been brought forward to November 2020.

To meet the requirements of the government legislation for the hospitality sector, we have worked with the University and its Health and Safety advisors to ensure the venue layout is socially distanced, with table service and all ordering via a web-based service. Further to providing an additional external seating area the University have built a canopied extension to Centro to provide both additional seating and all-weather cover.

We have restructured the provision of support services to our sports clubs & societies combining the responsibility to lie with one member of staff. We will aim to maintain the development of our society activities and encourage them to continue to engage with their members using virtual events and communications. A large proportion of our Block grant funding is spent on supporting our teams and athletes to compete in their National Leagues and BUCS programmes. We have been informed that there will be very limited league programmes in the first term and a more extensive schedule in term two, subject to Covid 19 restrictions. We have made the decision to retain SU Sport membership at its existing level of £35 on the basis that there will be an increase in costs to fulfil the BUCS programme, however should the programme not go ahead this will reduce the expenditure and financial support for our clubs and we have committed to review the fees paid by our members.

As part of the audit process of Cardiff Met University being undertaken by the Quality Assurance Agency, the Students Union has prepared its own Student Submission as part of our contribution to the review. This has required a substantial amount of on-going preparatory work by the Students' Union Officers and our Director of Engagement who will lead on the process and meet with the audit team towards the end of 2020 when the review will take place.

We will continue to review the effectiveness of the revised Part Time Officer roles, and to improve their contribution we have allocated a link member of staff to provide additional support to ensure that there is a planned approach to their campaigns throughout the academic year; and we have agreed with the University that where appropriate they will attend representation committee where it fits their portfolio.

As part of the staff restructuring, we introduced a new role of Policy and Procedures Advisor, which in addition to providing students with academic advice and representation, will continue to provide an increased focus for the Students' Union on developing a suite of policies relevant to our members. After discussions by the trustees, it has been agreed that in the short term we should look at formalising our policies around Zero Tolerance and Inclusivity, and as a longer-term development, we will be aiming for a draft Equality and Diversity Policy to be presented to the trustees.

CARDIFF MET STUDENTS' UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2020

FUTURE PLANS (Cont'd)

It has been recognised that our collaborative work with local and international partners is industry leading, and as the University expands its global outlook, so we need to match that in order to represent our students around the world. We will continue to develop plans to identify how best to enhance this service and continue to develop the role we play. Fundamental to this will be the training event that we organise each February, introducing partner students to the Students' Union and Cardiff. This will move to a virtual event, which whilst disappointing that we will not be able to welcome our partner students to Cardiff, will allow us to expand attendance and offer a different experience.

We will be seeking to develop the support services that contribute to student wellbeing, in particular the officers will be scheduling more campus canine sessions on both of our sites so that it becomes a regular feature of campus life.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is governed by its Memorandum and Articles of Association and is constituted as a company limited by guarantee.

The charity owns 100% of the share capital of Futura Marketing and Promotions Limited, a company governed by its Memorandum and Articles of Association.

Recruitment and appointment of new trustees

The Board consists of at least three and not more than twelve individuals, as follows:

- the President and Vice President (the Sabbatical Officers) who are elected by the members from amongst their number to serve for a period of one year but may be re-elected for one further year thereafter
- the paid Chief Executive Officer
- one representative of each school of learning at Cardiff Met University, provided that each representative is a member and is appointed by the Committee for a maximum of one year subject to reappointment for an additional two further years only
- up to two individuals with specialist knowledge appointed by the Board from outside the members to serve for a period of no more than three years subject to reappointment, and for no longer than six years in total.

Organisational structure

Overall responsibility for the management of Cardiff Met Students' Union rests with the Board of Trustees, which is responsible for setting the strategic direction and policies of the organisation. Board members carry the ultimate responsibility for the conduct of Cardiff Met Students' Union and for ensuring the organisation satisfies its legal and contractual obligations. Trustees meet at least four times a year. In addition, the Board have established a Finance and Services sub-committee.

Induction and training of trustees

The new trustees all participated in a comprehensive 5-day training event prior to the commencement of the academic year, covering a range of key areas of their roles. It was in part delivered by external consultants. In addition, one to one sessions took place focussing on the financial management information systems, to ensure that there was an understanding of the information that they would receive at both the Finance and Services Committee and each Board of Trustees.

Key management remuneration

The Students' Union will maintain a market comparison system through its HR and Finance functions, based on other Students' Unions and charity equivalents to inform on any key management remuneration and recruitment. These are all included in budgetary plans which are approved by Finance and Services and the Board of Governors.

In terms of annual inflationary increase these are based on affordability, and were applied equally across all salaried staff within the organisation.

Related parties

The charity has a wholly owned subsidiary trading company, 'Futura Marketing and Promotions Limited' to undertake all non-charitable activity.

Risk management

The trustees acknowledge their duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

An annual internal audit is carried out each year by the internal auditors appointed by Cardiff Met University. This internal audit evaluates the adequacy of risk management and control within the system and the extent to which controls have been applied.

CARDIFF MET STUDENTS' UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (Cont'd)

Risk management

The internal audit report has been approved by the Finance and Services committee of the Students' Union, and in accordance with the Education Act 1994 it has been presented to the Resources Committee and Board of Governors meetings of the University. The outcome of the Internal Audit report was that there was substantial assurance of the financial regulations and procedures in place.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07003324 (England and Wales)

Registered Charity number

1148990

Registered office

Central Union Office
Cardiff Met University
Cyncoed Campus, Cyncoed Road
CARDIFF
CF23 6XD

Company Secretary

S Bradley

Auditors

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

Trustees

M Davies	Chief Executive Officer	
I Gardiner	President until 31/07/2019	Resigned 31/07/2019
A Fox	President from 01/08/2019 to 31/07/2020	Resigned 31/07/2020
J Nottingham	Vice President from 05/08/2018 to 31/07/2019	Resigned 31/07/2019
K Davies	Vice President from 01/08/2019	
B Yotsova		Resigned 31/07/2019
J Staniforth		Resigned 31/07/2019
E Speer		Appointed 01/09/2019; Resigned 30/06/2020
J Stacey		Appointed 01/08/2019; Resigned 13/09/2019
G Fowkes		Appointed 01/09/2019; Resigned 30/06/2020
M Bashardoustesmaeilli		Resigned 30/06/2020
M Tagara		Appointed 01/09/2019; Resigned 30/06/2020
I Smith		Appointed 01/10/2019
M Pavuluri	President from 01/08/2020	Appointed 20/07/2020
C Czaszar		Appointed 12/11/2019; Resigned 30/06/2020
N C Amery		Appointed 01/09/2020
C Atkins		Appointed 01/09/2020
S Cockrell		Appointed 01/09/2020
M A Quinn		Appointed 01/09/2020
A M Robbins		Appointed 01/09/2020
A R Simm		Appointed 01/09/2020

CARDIFF MET STUDENTS' UNION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2020

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:-

- there is no relevant audit information of which the group's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the Board of Trustees on 27 October 2020 and signed on its behalf by:



.....
M Davies - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CARDIFF MET STUDENTS' UNION

Opinion

We have audited the financial statements of Cardiff Met Students' Union (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30 June 2020 which comprises the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cashflow statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 30 June 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 Report of the Trustees (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CARDIFF MET STUDENTS' UNION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page seven, the trustees (who are also the directors of the charitable parent company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable 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 trustees either intend to liquidate the group of the parent charitable company or to cease operations, or have no realistic alternative but to do so.


Our 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 Independent 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.

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 Independent Auditors.

Use of our report

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

27 October 2020

CARDIFF MET STUDENTS' UNION

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total Funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	930,922	110,000	1,040,922	931,267
Charitable activities	6				
Provision of recreational and leisure facilities		541,972	-	541,972	378,495
Provision of social activities		791,245	-	791,245	1,099,649
Other trading activities	4	96,629	3,007	99,636	126,240
Investment income	5	790	-	790	566
Other income		12,163	-	12,163	3,852
Total		2,373,721	113,007	2,486,728	2,540,069
EXPENDITURE ON					
Raising funds	8	17,464	-	17,464	18,738
Charitable activities	9				
Provision of recreational and leisure facilities		590,448	113,007	703,455	725,136
Provision of support services		338,812	-	338,812	352,984
Provision of social activities		1,260,417	-	1,260,417	1,422,303
Total		2,207,141	113,007	2,320,148	2,519,161
NET INCOME		166,580	-	166,580	20,908
Unwinding of discounted pension provision		(92,410)	-	(92,410)	(16,151)
Net income/(expenditure) for the year		74,170	-	74,170	4,757
RECONCILIATION OF FUNDS					
Total funds brought forward		(295,640)	-	(295,640)	(300,397)
TOTAL FUNDS CARRIED FORWARD		(221,470)	-	(221,470)	(295,640)

The notes form part of these financial statements

CARDIFF MET STUDENTS' UNION – Company number 07003324

**CONSOLIDATED AND CHARITY BALANCE SHEETS
AT 30 JUNE 2020**

		Group		Charity	
	Notes	2020 £	2019 £	2020 £	2019 £
FIXED ASSETS					
Tangible assets	15	57,530	69,008	57,530	69,008
Investments	16	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
		57,530	69,008	57,534	69,012
CURRENT ASSETS					
Stocks	17	24,729	41,274	24,729	41,274
Debtors: amounts falling due within one year	18	127,934	113,462	149,674	129,426
Cash at bank		<u>489,788</u>	<u>241,409</u>	<u>414,148</u>	<u>171,135</u>
		642,451	396,145	588,551	341,835
CREDITORS					
Amounts falling due within one year	19	<u>(392,633)</u>	<u>(293,842)</u>	<u>(388,852)</u>	<u>(291,383)</u>
NET CURRENT ASSETS		<u>249,818</u>	<u>102,303</u>	<u>199,699</u>	<u>50,452</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		307,348	171,311	257,233	119,464
PENSION LIABILITY		<u>(528,818)</u>	<u>(466,951)</u>	<u>(528,818)</u>	<u>(466,951)</u>
NET ASSETS/(LIABILITIES)		<u>(221,470)</u>	<u>(295,640)</u>	<u>(271,585)</u>	<u>(347,487)</u>
FUNDS	21				
Unrestricted funds:					
General fund		307,348	171,311	257,233	119,464
Pension reserve		<u>(528,818)</u>	<u>(466,951)</u>	<u>(528,818)</u>	<u>(466,951)</u>
		(221,470)	(295,640)	(271,585)	(347,487)
Restricted funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS		<u>(221,470)</u>	<u>(295,640)</u>	<u>(271,585)</u>	<u>(347,487)</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 27 October 2020 and were signed on its behalf by:



.....
M Davies -Trustee



.....
M Pavuluri -Trustee

The notes form part of these financial statements

CARDIFF MET STUDENTS' UNION

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>260,378</u>	<u>39,805</u>
Net cash provided by (used in) operating activities		<u>260,378</u>	<u>39,805</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(12,789)	(25,534)
Interest received		<u>790</u>	<u>566</u>
Net cash provided by (used in) investing activities		<u>(11,999)</u>	<u>(24,968)</u>
Change in cash and cash equivalents in the reporting period		248,379	14,837
Cash and cash equivalents at the beginning of the reporting period		<u>241,409</u>	<u>226,572</u>
Cash and cash equivalents at the end of the reporting period		<u>489,788</u>	<u>241,409</u>

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	166,584	20,908
Adjustments for:		
Depreciation charges	24,267	22,206
Interest received	(790)	(566)
Decrease/(increase) in stocks	16,545	(8,472)
Decrease/(increase) in debtors	(14,476)	(58,128)
Increase/(decrease) in creditors	98,791	92,942
Difference between pension charge and cash contributions	<u>(30,543)</u>	<u>(29,085)</u>
Net cash provided by (used in) operating activities	<u>260,378</u>	<u>39,805</u>

CARDIFF MET STUDENTS' UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. STATUTORY INFORMATION

Cardiff Met Students' Union is a registered charity and private company limited by guarantee, incorporated in Wales in the United Kingdom. The registered office is Central Union Office, Cardiff Met University, Cyncoed Campus, Cyncoed Road, Cardiff, CF23 6XD. The nature of the group and company's operations and principal activities are disclosed within the Report of the Trustees.

The financial statements are presented in Sterling (£), the group'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

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', 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 with the exception of investments which are included at market value.

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

Going concern

The performance and viability of the Students' Union primarily relate to the parent institution, particularly in respect of the continued central financial support through the block grant and the financial impact on the University itself from student retention issues. The block grant funding has been confirmed for 2020/21 and remains at 2019/20 levels.

The Coronavirus pandemic had resulted in a number of uncertainties arising and the trustees have taken steps to minimise the effect on the group and will continue to do so. These include the transfer of the Llandaff Student Centre to the University; monitoring of any appropriate government financial support and an increased focus on strengthening the commercial performance of our on-campus operations. As a result, the trustees are satisfied that it is appropriate for these financial statements to be prepared on a going concern basis.

Consolidation

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

This includes capital grants.

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the group has unconditional entitlement.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Income from other trading activities includes income received under contract. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Investment income is recognised on a receivable basis.

2. ACCOUNTING POLICIES - continued

Basis of recognition of liabilities

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds include direct merchandise costs which are available for resale.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Tangible fixed assets

Tangible fixed assets are initially recorded at cost.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Bar and shop fixtures and fittings	12.5% - 33.33% on cost
Office furniture and equipment	12.5% - 33.33% on cost
Computers	33.33% on cost

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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. ACCOUNTING POLICIES - continued

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Pension costs and other post-retirement benefits

The Union 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 Financial Activities.

The Union also participate in the National Union of Students Pension Scheme, a defined contribution scheme. Contributions payable to this pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Termination payments

The charitable company recognises termination benefits as a liability and an expense only when the entity is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Operating lease commitments

Rental 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.

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. No estimates or assumptions have been identified that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

CARDIFF MET STUDENTS' UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020**

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	9,143	15,547
Cardiff Met University grant	915,720	915,720
Coronavirus Job Retention Scheme grant	116,059	-
	<u>1,040,922</u>	<u>931,267</u>

The above grant received from Cardiff Met University is allocated as follows:

	2020	2019
	£	£
General block grant	355,720	355,720
SU Sport	150,000	150,000
Campus Centre	110,000	110,000
Activity fee	300,000	300,000
	<u>915,720</u>	<u>915,720</u>

4. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Fundraising income	1,182	4,138
Trading income – subsidiary	83,500	89,646
Sponsorships	1,825	7,950
Hire income	11,560	16,951
Minibus and car hire recharge	1,569	7,529
Merchandise sales	-	26
	<u>99,636</u>	<u>126,240</u>

5. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	790	566

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2020	2019
		£	£
SU Sport income	Provision of recreational and leisure facilities	87,818	104,115
Clubs & Societies income	Provision of recreational and leisure facilities	454,154	274,380
Job shop agency income	Provision of support services	-	-
Shop income	Provision of social activities	195,466	286,537
Bar income	Provision of social activities	182,751	244,351
Catering income	Provision of social activities	405,680	527,873
Amusements income	Provision of social activities	715	1,158
ENTS department income	Provision of social activities	6,550	39,632
Safe taxi scheme	Provision of social activities	83	98
		<u>1,333,217</u>	<u>1,478,144</u>

CARDIFF MET STUDENTS' UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020**

7. RESULTS OF PARENT CHARITABLE COMPANY

The total income of the parent charitable company was £2,469,050 and net income before actuarial losses on defined benefit schemes were £168,312. Net movement in funds after adjusting for the provision for the defined benefit pension scheme was £75,902.

8. RAISING FUNDS

Other trading activities

	2020	2019
	£	£
Freshers' Fayre	9,482	14,593
Commission	<u>7,982</u>	<u>4,145</u>
	<u>17,464</u>	<u>18,738</u>

9. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 10)	Totals
	£	£	£
Provision of recreational and leisure facilities	559,125	154,080	713,205
Provision of support services	232,336	106,754	339,090
Provision of social activities	<u>1,115,755</u>	<u>134,236</u>	<u>1,249,991</u>
	<u>1,907,216</u>	<u>395,070</u>	<u>2,302,286</u>

10. SUPPORT COSTS

	Staff costs	Other	Depreciation	Governance costs	Totals
	£	£	£	£	£
Provision of recreational and leisure facilities	79,957	65,515	571	8,037	154,080
Provision of support services	75,717	23,471	503	7,063	106,754
Provision of social activities	<u>93,566</u>	<u>30,756</u>	<u>659</u>	<u>9,255</u>	<u>134,236</u>
	<u>249,240</u>	<u>119,742</u>	<u>1,733</u>	<u>24,355</u>	<u>395,070</u>

Support costs are allocated to each of the charitable activities based on an estimate of the time spent on each of these activities.

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration	8,503	6,896
Depreciation - owned assets	<u>24,267</u>	<u>22,206</u>

CARDIFF MET STUDENTS' UNION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020****12. TRUSTEES' REMUNERATION AND BENEFITS**

Trustees who are elected to the roles of President and Vice President are remunerated for their services on an annual basis.

During the year, remuneration including employers pension contributions paid in respect of these roles were as follows:

Name	2020 £	2019 £
W Fuller	-	1,559
I Gardiner	1,608	19,161
J Nottingham	1,608	17,602
K Davies	18,250	-
A Fox	<u>17,833</u>	<u>-</u>

During the year, M Davies received a gross salary of £85,077 (2019: £80,020) and employers pension contributions of £7,754 (2019: £7,565) (a commercial rate for the role of Chief Executive Officer).

During the year student representative fees totalling £12,950 were paid to five trustees (2019: £5,000 was paid to two trustees).

The above payments have been made in accordance with Section 5.4 of the charity's Memorandum and Articles of Association.

Trustees' expenses

Five trustees received a reimbursement of travel and subsistence expenses totalling £2,927 (2019: £5,571 for five trustees).

13. STAFF COSTS

	2020 £	2019 £
Wages and salaries	851,072	797,354
Social security costs	56,809	50,409
Other pension costs and deficit contributions	<u>16,981</u>	<u>22,348</u>
	<u>924,862</u>	<u>870,111</u>

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

	2020	2019
Average number of monthly employees	31	28
Average number of fortnightly employees	<u>90</u>	<u>80</u>
	<u>121</u>	<u>108</u>

During the year ended 30 June 2019 the full-time equivalent number of staff employed was 61 (2019: 54).

The number of employees whose emoluments amounted to a rate of over £60,000 during the year were as follows:

	2020 No.	2019 No.
£80,001 - £90,000	1	1
Pension contributions	£7,754	£7,565

Total remuneration paid to key management personnel in the year was £164,365 (2019: £153,075).

CARDIFF MET STUDENTS' UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - YEAR ENDED 30 JUNE 2019

	2019 Unrestricted funds £	2019 Restricted funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	821,267	110,000	931,267
Charitable activities			
Provision of recreational and leisure facilities	378,495	-	378,495
Provision of social activities	1,098,659	990	1,099,649
Other trading activities	114,152	12,088	126,240
Investment income	566	-	566
Other income	3,852	-	3,852
Total	2,416,991	123,078	2,540,069
EXPENDITURE ON			
Raising funds	18,738	-	18,738
Charitable activities			
Provision of recreational and leisure facilities	602,058	123,078	725,136
Provision of support services	352,984	-	352,984
Provision of social activities	1,422,303	-	1,422,303
Total	2,396,083	123,078	2,519,161
NET INCOME	20,908	-	20,908
Transfers between funds	-	-	-
Other recognised gains/(losses)			
Actuarial gains/losses on defined benefit schemes	(16,151)	-	(16,151)
Net income/(expenditure) for the year	4,757	-	4,757
RECONCILIATION OF FUNDS			
Total funds brought forward	(300,397)	-	(300,397)
TOTAL FUNDS CARRIED FORWARD	(295,640)	-	(295,640)

CARDIFF MET STUDENTS' UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020**

15. TANGIBLE FIXED ASSETS – Group and Charity

	Bars & Shops fittings £	Office fixtures & fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 July 2019	291,910	13,818	11,699	15,007	332,434
Additions	<u>11,058</u>	<u>-</u>	<u>-</u>	<u>1,731</u>	<u>12,789</u>
At 30 June 2020	<u>302,968</u>	<u>13,818</u>	<u>11,699</u>	<u>16,738</u>	<u>345,223</u>
DEPRECIATION					
At 1 July 2019	228,742	10,468	11,699	12,517	263,426
Charge for year	<u>22,181</u>	<u>619</u>	<u>-</u>	<u>1,467</u>	<u>24,267</u>
At 30 June 2020	<u>250,923</u>	<u>11,087</u>	<u>11,699</u>	<u>13,984</u>	<u>287,693</u>
NET BOOK VALUE					
At 30 June 2020	<u>52,045</u>	<u>2,731</u>	<u>-</u>	<u>2,754</u>	<u>57,530</u>
At 30 June 2019	<u>63,168</u>	<u>3,350</u>	<u>-</u>	<u>2,490</u>	<u>69,008</u>

16. FIXED ASSET INVESTMENTS – Charity

	Shares in group undertakings £
MARKET VALUE	
At 1 July 2019 and 30 June 2020	<u>4</u>
NET BOOK VALUE	
At 30 June 2020	<u>4</u>
At 30 June 2019	<u>4</u>

There were no investment assets outside the UK.

The charity holds 100% of the share capital of Futura Marketing and Promotions Limited, a company registered in England and Wales, primarily to carry out trading activities.

CARDIFF MET STUDENTS' UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020**

17. STOCKS – Group and Charity

	2020 £	2019 £
Stocks	<u>24,729</u>	<u>41,274</u>

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade debtors	24,830	37,288	21,052	30,934
VAT	-	2,414	-	2,414
Amount due from group undertakings	-	-	25,518	25,518
Prepayments and accrued income	<u>103,104</u>	<u>73,760</u>	<u>103,104</u>	<u>70,560</u>
	<u>127,934</u>	<u>113,462</u>	<u>149,674</u>	<u>129,426</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade creditors	25,084	68,489	25,084	68,489
Social security and other taxes	14,966	13,392	14,966	13,392
VAT	13,330	1,434	11,324	-
Other creditors	80,620	65,090	80,620	65,090
Accruals and deferred income	<u>258,633</u>	<u>145,437</u>	<u>256,858</u>	<u>144,412</u>
	<u>392,633</u>	<u>293,842</u>	<u>388,852</u>	<u>291,383</u>

Included within accruals and deferred income above is the following deferred income:

	2020 £	2019 £
Cardiff Met University grant income	-	9,167
Private hire bookings	1,980	5,725
Castell Howell funding	35,714	42,857
Other advance funding	4,601	11,577
FAW Coaching allocation 2020-21	20,000	-
Coronavirus recovery grant	<u>58,000</u>	<u>-</u>
	<u>120,295</u>	<u>69,362</u>

The deferred income relates to monies received in advance of the period or events to which they relate.

All amounts excluding Castell Howell support deferred in the year ended 30 June 2019 were released to the Statement of Financial Activities during the year and amounts deferred in the year ended 30 June 2020 are new sources of income.

Castell Howell support is being released over the period which the agreement relates to, expiring in July 2026.

CARDIFF MET STUDENTS' UNION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020**

20. LEASING AGREEMENTS

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

	2020 £	2019 £
Within one year	36,853	130,339
Between one and five years	<u>14,194</u>	<u>51,047</u>
	<u>51,047</u>	<u>181,386</u>

Total lease payments recognised as an expense in the year were £146,944 (2019: £148,139).

21. MOVEMENT IN FUNDS

	At 1/7/19 £	Net movement in funds £	Transfers between funds £	At 30/6/20 £
Unrestricted funds				
General fund	140,315	6,904	(30,543)	116,676
Pension reserve	(466,951)	(92,410)	30,543	(528,818)
Designated fund: Women's football club	5,778	2,098	-	7,876
Designated fund: Men's football club	<u>25,218</u>	<u>157,578</u>	<u>-</u>	<u>182,796</u>
	(295,640)	74,170	-	(221,470)
TOTAL FUNDS	<u>(295,640)</u>	<u>74,170</u>	<u>-</u>	<u>(221,470)</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,014,279	(2,007,375)	-	6,904
Designated fund: Women's football club	16,865	(14,767)	-	2,098
Designated fund: Men's football club	342,577	(184,999)	-	157,578
Pension reserve	<u>-</u>	<u>-</u>	<u>(92,410)</u>	<u>(92,410)</u>
	2,373,721	(2,207,141)	(92,410)	74,170
Restricted funds				
Clubs and societies	3,007	(3,007)	-	-
Rental lease	<u>110,000</u>	<u>(110,000)</u>	<u>-</u>	<u>-</u>
	113,007	(113,007)	-	-
TOTAL FUNDS	<u>2,486,728</u>	<u>(2,320,148)</u>	<u>(92,410)</u>	<u>74,170</u>

CARDIFF MET STUDENTS' UNION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/7/18 £	Net movement in funds £	Transfers between funds £	At 30/6/19 £
Unrestricted funds				
General fund	159,722	9,678	(29,085)	140,315
Pension reserve	(479,885)	(16,151)	29,085	(466,951)
Designated fund: Women's football club	13,587	(7,809)	-	5,778
Designated fund: Men's football club	6,179	19,039	-	25,218
	(300,397)	4,757	-	(295,640)
TOTAL FUNDS	<u>(300,397)</u>	<u>4,757</u>	<u>-</u>	<u>(295,640)</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,225,321	(2,215,643)	-	9,678
Pension reserve	-	-	(16,151)	(16,151)
Designated fund: Women's football club	20,928	(28,737)	-	(7,809)
Designated fund: Men's football club	170,742	(151,703)	-	19,039
	2,416,991	(2,396,083)	(16,151)	4,757
Restricted funds				
Clubs and societies	12,088	(12,088)	-	-
Rental lease	110,000	(110,000)	-	-
Santander Events fund	990	(990)	-	-
	123,078	(123,078)	-	-
TOTAL FUNDS	<u>2,540,069</u>	<u>(2,519,161)</u>	<u>(16,151)</u>	<u>4,757</u>

Designated fund: Women's football club

Income and prizes received by the women's football club have been designated to be spent on the activities of the women's football club.

Designed fund: Men's football club

Any unspent income generated by the men's football club has been designated to be spent on future activities of the club.

Clubs and Societies

Funding from sponsorship and fundraising was given specifically to fund Clubs and Societies.

Rental lease

Grant funding was kindly received from Cardiff Met University to cover the rental lease costs for the Campus Centre, Cyncoed.

Santander Events fund

Santander provided match funding during the year for the Christmas Ball.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2020**22. PENSION COMMITMENTS**

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

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

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

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

In summary, employer contributions will increase by 5% in October 2020 as planned under the previous valuation, and then by 8% from October 2021, and increase by 5% each year thereafter until the end of the deficit recovery period, which is now expected to be in August 2035. However, contributions due from October 2023 onwards will be reviewed following the next actuarial valuation.

In addition to the above contributions, the Union 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 30 June 2020 amounted to £30,543 which are all deficit contributions (2019: £29,085). At the year end a liability was recognised for the present value of the contributions payable of £528,818 (2019 - £466,951).

The Union also participates in the National Union of Students Pension Scheme, a defined contribution scheme. During the year ended 30 June 2020 the Union contributed a total of £16,981 into the scheme (2019: £22,348). At the year end there were outstanding contributions of £112 (2019: £65).

23. RELATED PARTY DISCLOSURES

K Davies, a trustee, was paid a total amount of £838 (2019: £2,250) for coaching fees.

There were no other transactions for the year ended 30 June 2019 which required disclosure.

24. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Restricted funds £	Unrestricted funds £	Total £
Fund balances at 30 June 2020 are represented by:			
Tangible fixed assets	-	57,530	57,530
Current assets	45,835	596,616	642,451
Current liabilities	(45,835)	(346,798)	(392,633)
Pension liability	-	(528,818)	(528,818)
Total net assets/(liabilities)	<u>-</u>	<u>(221,470)</u>	<u>(221,470)</u>

25. SUBSIDIARY COMPANY

During the year the charity owned 100% of the issued ordinary share capital of Futura Marketing and Promotions Limited, a company registered in England and Wales. The subsidiary was used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the SOFA.

A summary of the results of the subsidiary for the year is shown below:

	£
Turnover	83,500
Cost of sales	(17,464)
	<hr/>
Gross profit	66,036
Administrative expenses	(16,809)
	<hr/>
	49,227
Interest receivable and similar income	120
	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	49,347
Taxation	-
	<hr/>
PROFIT FOR THE FINANCIAL YEAR	<u>49,347</u>
The aggregate of the assets, liabilities and funds was:	
	£
Assets	79,418
Liabilities	(29,299)
	<hr/>
Funds	<u>50,119</u>

CARDIFF MET STUDENTS' UNION

**CONSOLIDATED DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 £	2019 £
INCOME		
Donations and legacies		
Donations	9,143	15,547
Cardiff Met - general block grant	355,720	355,720
Cardiff Met - Campus Centre grant	110,000	110,000
Coronavirus Job Retention scheme grant	<u>116,059</u>	<u>-</u>
	590,922	481,267
Other trading activities		
Fundraising income – Clubs and Societies	1,182	4,138
Trading income – Futura Marketing and Promotions	83,500	89,646
Advertising and sponsorships	1,825	7,950
Hire income – Bars	11,560	16,951
Minibus and car hire recharge	1,569	7,529
Merchandise sales	<u>-</u>	<u>26</u>
	99,636	126,240
Investment income		
Deposit account interest	790	566
Provision of recreational and leisure facilities		
SU Sport grant allocation	150,000	150,000
SU Sport income	87,818	104,115
Fee Implementation Plan	300,000	300,000
Clubs and Societies income	<u>454,154</u>	<u>274,380</u>
	991,972	828,495
Provision of social activities		
Shop income	195,466	286,537
Bar income	182,751	244,351
Catering income	405,680	527,873
Amusements income	715	1,158
ENTS department income	6,550	39,632
Safe taxi scheme	<u>83</u>	<u>98</u>
	791,245	1,099,649
Other income		
Other income	<u>12,163</u>	<u>3,852</u>
Total income	<u>2,486,728</u>	<u>2,540,069</u>

CARDIFF MET STUDENTS' UNION

**CONSOLIDATED DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 £	2019 £
EXPENDITURE ON		
Other trading activities		
Freshers' Fayre	9,482	14,593
Commission	<u>7,982</u>	<u>4,145</u>
	17,464	18,738
Provision of recreational and leisure facilities		
SU Sport direct expenditure	149,182	216,107
SU Sport salary costs	50,820	35,447
Clubs and Societies expenditure	333,203	306,698
Proportion of directly attributable leasing costs	16,178	16,318
Allocation of support costs	<u>154,072</u>	<u>150,566</u>
	703,455	725,136
Provision of support services		
Engagement services salary costs	73,972	63,196
Training & Development programme expenditure	4,350	6,850
Training & Development salary costs	39,370	58,120
Job Shop programme expenditure	2,273	2,104
Job shop support labour costs	-	8,556
Fee Implementation Plan expenditure	112,093	121,731
Allocation of support costs	<u>106,754</u>	<u>92,427</u>
	338,812	352,984
Provision of social activities		
Llandaff & Cyncoed shops - direct expenditure	147,560	206,722
Llandaff & Cyncoed shops - salary costs	55,714	61,658
Llandaff & Cyncoed coffee shop - salary costs	58,788	57,286
Bar – direct expenditure	90,936	142,552
Bar/food - salary costs	365,950	324,491
Depreciation of bar and shop fittings	22,534	19,660
Security salary costs	19,311	15,598
Catering direct expenditure	234,557	321,366
ENTS department direct expenditure	16,052	35,572
Coffee machine lease	2,704	2,704
Rent – Campus Centre	110,000	110,000
Safe taxi fees	217	156
Allocation of support costs	<u>136,094</u>	<u>124,538</u>
	1,260,417	1,422,303

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CARDIFF MET STUDENTS' UNION

**CONSOLIDATED DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 £	2019 £
Support costs		
Central salary costs, including pension	215,820	200,657
Sabbatical salaries	33,420	29,873
Telephone costs	3,910	2,700
Insurance costs	28,881	26,704
Post, stationery and other office costs	6,812	8,618
Office equipment costs	9,856	7,943
Minibus costs	21,918	26,088
Minibus repairs and fuel costs	16,891	22,022
Professional fees	18,038	61
Conferences	4,344	4,226
Bank charges	5,432	5,377
Bad debt provision	820	4,225
Sundry costs	2,821	1,938
Depreciation of office fixtures and computers	1,733	2,546
Staff expenses, training and development	869	1,428
Auditors remuneration	9,503	7,896
Governance staff costs	15,852	15,229
	<u>396,920</u>	<u>367,531</u>
Re-allocation of support costs to charitable activities	(396,920)	(367,531)
Total expenditure	2,320,148	2,519,161
Net income before movement on defined benefit pension scheme	<u>166,580</u>	<u>20,908</u>

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