

Registered number: 07623621
Charity number: 1149397

Chester Students' Union

Trustees' report and financial statements

For the Year Ended 31 July 2019



Chester Students' Union
(A company limited by guarantee)

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Chester Students' Union
(A company limited by guarantee)

Reference and administrative details of the company, its trustees and advisers
For the Year Ended 31 July 2019

Trustees

S J Bell (resigned 29 June 2019)
J G McGovern (resigned 29 June 2019)
R Winkler (resigned 20 September 2019)
J Appleby
B France, President (resigned 29 June 2019)
N Hodson (resigned 20 September 2019)
R Hall (appointed 1 July 2019)
M Hooper (appointed 1 July 2019)
E Lewis, President (appointed 1 July 2019)
C Marsland (appointed 26 November 2018, resigned 20 September 2019)
A Spencer (appointed 26 November 2018, resigned 20 September 2019)

Company registered number

07623621

Charity registered number

1149397

Registered office

Chester Students' Union, Parkgate Road, Chester, CH1 4BJ

Senior management team

G Pye, CEO (resigned 31 May 2019)

Independent auditors

Dains LLP, Suite 2, Albion House, 2 Etruria Office Village, Forge Lane, Stoke on Trent, Staffordshire, ST1 5RQ

Chester Students' Union
(A company limited by guarantee)

Trustees' report
For the Year Ended 31 July 2019

The Trustees present their annual report together with the audited financial statements of the company for the year 1 August 2018 to 31 July 2019. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

The Chester Students' Union mission is to be constantly "Improving the Student Experience".

b. Strategies for achieving objectives

Strategic Plan

CSU is currently recruiting for a new Chief Executive Officer and it is anticipated they will drive the creation of a new strategic plan informed by market research and the NSS.

Representation

The Chester Students' Union represents all 19,000 students at the University of Chester, representing their interests to the University, the local community and nationally via our work with the National Union of Students.

The Union represents the student body by attending various committee meetings. The President is a University Governor, sitting on the University Board. The Vice Presidents sit on the various university committees that enhance the academic rights of students and their student experience. We also represent individual students at meetings and panels for, academic integrity, complaints disciplinary and professional suitability issues. We encourage/empower students to represent themselves but offer support and advice during the entire process.

We have a Student Council which provides a forum for students across the University to listen to and share ideas to make a positive change to the University of Chester experience.

The Union administers and supports the Student Experience Reps who sit on staff student liaison meetings to collect and articulate student feedback at a course and module level.

Advice

The Union runs a professional and confidential advice service to cover matters that a student may encounter in either their academic or personal life. Where matters are beyond the expertise of the team students are referred to the appropriate University department or an external organisation.

We advise on academic integrity, appeals, mitigating circumstances, complaints, the University Disciplinary Procedure, the Professional Suitability Procedure, housing/accommodation issues, the financial assistance fund and Lucy Blackburn fund.

Campaigns

The Union carries out various campaigns during the year to engage with students, improve their awareness to their health, wellbeing and rights and to lobby for improvement in the services provided for students. Responding to the University being a multi-campus institution and as a Union in our own services, we offer advice and campaign across all sites to allow as many students as possible feel the sense of belonging to the University and Union.

Sports and Societies

We fund and facilitate over 100 sports and societies in which over 3,500 students take part on an annual basis. These range from traditional sports that compete in regional University leagues (BUCS), to recreational sports, faith and cultural groups, general interest groups, performance groups, political and campaigning groups.

To improve the performance of our student led groups we provide regular training to enhance their skills.

Events

The Union are committed to delivering a year round calendar of events for student to be entertained and engaged with.

c. Main activities undertaken to further the charity's purposes for the public benefit

The Union promotes the interests of the students by providing representation, advice and support as well as sporting, social and cultural activities. In addition, we provide opportunities for personal development.

The Union works closely with the University and the local community to resolve matters and to promote community cohesion. It also undertakes projects in conjunction with the local community to clean up the local area.

The officers sit on a University and Community Liaison committee.

Our input into University committees provides good governance and helps promote effective spending of the University's public and private funds.

Achievements and performance

a. Review of activities

CSU has been proud of its performance in the National Student Satisfaction Survey and were delighted to see a jump in our satisfaction score from 61% to 66%. This score continues to see us in the top quartile in the country and one of the top Unions regionally.

CSU are in the top 10 Students' Union in the WhatUni Student Choice Awards.

Over the last 12 months we have drafted and were in the process of adopting a new strategic vision to inspire students to be happy and healthy. The main themes of the strategy were:

- to invest in and seek higher rates of satisfaction in our advice and support for students;
- to improve the sense of 'belonging' on campus with investment in new activities especially those that do not involve alcohol;
- to invest in, modernise and improve satisfaction with our representation structures;
- to invest in and develop our staff team; and
- to improve our communication with students utilising social media platforms.

Unfortunately with the sudden departure of the Chief Executive and that post being vacant for final 3 months of the year we have been unable to embed the new plan.

Representation

2018/19 was the second year of the rebranded student led teaching award, now known as the 1839's. We had a record number of nominations from students for the 10 highly contested awards.

We have started to deliver the newly reformed academic representation system and in July 2018 appointed a dedicated staff member to support the work of our Vice President Education and Student Experience Reps. This year we have had 549 SER's and have trained 39% of them. The point of the reform was to create a smaller, better supported 'army' of reps. Results are mixed across the University and that will be something to address

next year.

In its second year "Big Idea" has developed as a means of allowing students to suggest new ideas online and seek the support of their peers in getting them adopted. This year we have had 36 ideas and 805 votes cast, with one idea getting over the minimum 50 votes in less than 24 hours.

We launched "Union on Tour" where each month the elected officers and student volunteers visit each campus over the course of a week to illicit student views and promote the work of CSU. In 2018/19 Union on Tour saw over 3000 interactions with students where we have asked for individual student views on topics such as value for money and used Union on Tour to raise awareness of topics such as International Day of Disabled Persons and wellbeing.

Advice

The CSU advice centre experienced an unprecedented growth in demand from students seeking advice and representation.

This academic year has seen an overall increase of 6% in advice cases whilst case interactions have increased by 36% showing that for each case taken on there has been an increase in workload to assist the student. We have particularly noted an increase in finance related queries.

Campaigns

The Union has conducted a number of high profile campaigns this year. We facilitated: Wellbeing week, an academic integrity campaign, SAFE week, Think before you ink and the HOME awards, as well as ensuring regular sexual health testing and safety events. We also held a well-attended Brexit Debate with high profile, national figures e.g. Lord Adonis, Jonathan Starkey and Jason Hunter as well as a celebratory international day of disabled persons.

We took on additional projects like period poverty, hygiene for the homeless and worked with the University to achieve the Navajo Equality Chartermark.

Student Activities

This year we have had 131 student sporting and society groups with a total of 3,500 members. That is a quarter of our student population.

We just missed our target of 76th in BUCS and were 78th at the year end.

Our sports and societies have raised over £30,000 for charity this year.

We won both of our Varsity events, had 3 BUCS league wins, 2 national champions and 1 BUCS cup finalist.

Commercial Activity & Sport

The Trustee Board have negotiated for the University to formally take over our commercial services (Bar and 2 retail stores) from 01 August 2019. A Head of Terms Agreement is in place and staff are being TUPE'd across where appropriate. This will allow the Union to invest more in other student activities and be able to focus on societies and academic representation. There is an expectation that the University will additionally invest in the Athletic Union really enhancing sport at Chester.

Chester Students' Union
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 July 2019

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Financial review

The detail of the 2018/19 financial performance is detailed later in this document. For the year ended 31 July 2019, the CSU net position was a net decrease in funds of £116,734, which decreased total funds to £91,343.

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Trust deed .

The company is constituted under a Trust deed and is a registered charity number 1149397.

The principal object of the company is "to enhance the student experience."

b. Method of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Related party relationships

The relationship between the University of Chester and the Chester Students' Union is established in the Regulations of the University and detailed in the Chester Students' Union's Articles approved by both organisations.

Chester Students' Union receives a block grant from the University of Chester and rents a building in Chester, plus part of a building at the Warrington Campus. The union continues to generate a surplus from media sales activity.

There is no reason to believe that this or equivalent support from the university will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on the university to ensure the financial viability of its student representative body.

d. Risk management

The Trustee Board of the Students' Union has examined the major strategic, business and operational risks faced by the Chester Students' Union. A risk register has been established and will be updated at least annually. Where appropriate, systems or procedures will be established to mitigate the risks that Chester Students' Union faces. Budgetary and internal control risks have been minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety for staff, volunteers and participants of all activities organised by the union.

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Trustees' report (continued)
For the Year Ended 31 July 2019

These procedures are periodically reviewed to ensure that they continue to meet the needs of the Students' Union.

Plans for future periods

a. Future developments

The second half of the 2018/19 year has been one of change for CSU. Suddenly losing the Chief Executive Officer has meant it has not been a time to plan.

Moving forward without Commercial Services and Sport means the Union will need to consider how it engages the wider student population and we look forward to doing that by building on our Union on Tour Activity.

We hope 19/20 will see a new Chief Executive, strategic plan and energy for CSU so we can really improve the lives of students at the University of Chester. We look forward to working in a refurbished Chester students' union that provides safe and effective student space and to welcoming a new Shrewsbury Sabbatical Officer to ensure a fabulous student experience for Chester University students studying at Shrewsbury.

Of course we do expect some amazing things to happen such as continuing the success of Union on Tour, adding a new award to the 1839's of most engaging student rep, adding a society development post onto the staff team, increasing how much our student volunteers raise for charity, redeveloping our website, another look at student union spaces on all campuses and welcoming a new Vice-Chancellor with the outcomes of our Dear VC campaign asking students what they want from Chester.

Funds held as custodian

Societies Funds

Chester Students' Union acts as custodian for funds raised by the student societies themselves, amounting to £8,860 (2018: £13,009) at the year end, in addition to the grant support it disburses to them as shown in the accounts.

Chester Students' Union
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 July 2019

Trustees' responsibilities statement

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

This report was approved by the Trustees, on 25/11/19 and signed on their behalf by:



E Lewis
President

Independent auditors' report to the members of Chester Students' Union

Opinion

We have audited the financial statements of Chester Students' Union (the 'charitable company') for the year ended 31 July 2019 set out on pages 11 to 27. 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 charitable company's affairs as at 31 July 2019 and of its 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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.

Chester Students' Union
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Independent auditors' report to the members of Chester Students' Union

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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

Chester Students' Union
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Independent auditors' report to the members of Chester Students' Union

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable 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 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 charitable 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 an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Dudley (Senior Statutory Auditor)
For and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Stoke on Trent
Staffordshire
ST1 5RQ

Date: 25 November 2019

Chester Students' Union
(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
For the Year Ended 31 July 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies	2	271	445,712	445,983	400,000
Charitable activities	3	-	129,049	129,049	151,968
Fundraising trading activities	4	724,331	-	724,331	751,462
Investments	5	412	-	412	-
Total income		725,014	574,761	1,299,775	1,303,430
Expenditure on:					
Raising funds	4	733,929	-	733,929	699,277
Charitable activities	6	9,203	673,377	682,580	693,270
Total expenditure	9	743,132	673,377	1,416,509	1,392,547
Net expenditure before transfers		(18,118)	(98,616)	(116,734)	(89,117)
Transfers between Funds	19	(98,616)	98,616	-	-
Net expenditure before other recognised gains and losses		(116,734)	-	(116,734)	(89,117)
Net movement in funds		(116,734)	-	(116,734)	(89,117)
Reconciliation of funds:					
Total funds brought forward		208,077	-	208,077	297,194
Total funds carried forward		91,343	-	91,343	208,077

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

Chester Students' Union
(A company limited by guarantee)
Registered number: 07623621

Balance sheet
As at 31 July 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	14		4,803		27,211
Current assets					
Stocks	15	-		34,081	
Debtors	16	100,625		84,253	
Cash at bank and in hand		37,985		170,203	
		<u>138,610</u>		<u>288,537</u>	
Creditors: amounts falling due within one year	17	(52,070)		(107,671)	
Net current assets			86,540		180,866
Net assets			<u>91,343</u>		<u>208,077</u>
Charity Funds					
Unrestricted funds	19		91,343		208,077
Total funds			<u>91,343</u>		<u>208,077</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 25.11.19 and signed on their behalf, by:



E Lewis
President

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

Chester Students' Union
(A company limited by guarantee)

Statement of cash flows
For the Year Ended 31 July 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	21	(140,829)	(43,668)
Cash flows from investing activities:			
Proceeds from the sale of tangible fixed assets		15,308	-
Purchase of tangible fixed assets		(6,697)	(9,050)
Net cash provided by/(used in) investing activities		8,611	(9,050)
Change in cash and cash equivalents in the year		(132,218)	(52,718)
Cash and cash equivalents brought forward		170,203	222,921
Cash and cash equivalents carried forward	22	37,985	170,203

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

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Chester Students' Union meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The company is a company limited by guarantee. The members of the company are each and every student who has not opted out of membership and the officer Trustees of the union. In the event of the company being wound up, the liability in respect of the guarantee is limited to one penny per member of the company.

1.3 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and therefore the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out centrally. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	20% on a straight line basis
Plant and machinery	-	20% on a straight line basis
Computer equipment	-	20% on a straight line basis

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1. Accounting policies (continued)

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Notes to the financial statements
For the Year Ended 31 July 2019

1. Accounting policies (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Donations	271	-	271	-
Grants	-	445,712	445,712	400,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	271	445,712	445,983	400,000
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2018</i>	-	400,000	400,000	
	<hr/>	<hr/>	<hr/>	

3. Income from charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Sports & Societies	-	128,162	128,162	143,791
Advice & Representation	-	887	887	8,177
	<hr/>	<hr/>	<hr/>	<hr/>
	-	129,049	129,049	151,968
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2018</i>	-	151,968	151,968	
	<hr/>	<hr/>	<hr/>	

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Notes to the financial statements
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4. Fundraising trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Fundraising trading income				
Fundraising Income	724,331	-	724,331	751,462
Fundraising trading expenses				
Purchases	456,836	-	456,836	480,135
Wages and salaries	262,719	-	262,719	200,248
Depreciation	14,374	-	14,374	18,894
	733,929	-	733,929	699,277
Net (expenditure)/income from fundraising trading activities	(9,598)	-	(9,598)	52,185

In 2018, of the total income from fundraising trading, £751,462 was to unrestricted funds and £nil was to restricted funds.

In 2018, of the total expenditure on fundraising trading activities, £699,277 was to unrestricted funds and £nil was to restricted funds.

5. Investment income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest received	412	-	412	-

6. Analysis of expenditure on charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Sports & Societies	3,065	352,115	355,180	383,131
Advice & Representation	6,138	321,262	327,400	310,139
	9,203	673,377	682,580	693,270
<i>Total 2018</i>	-	693,271	693,271	

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7. Direct costs

	Sports & Societies	Advice & Represent- ation	Total 2019	Total 2018
	£	£	£	£
Purchases	204,571	21,546	226,117	258,104
Wages and salaries	55,086	162,314	217,400	198,348
National insurance	3,819	10,981	14,800	14,034
Pension cost	573	1,998	2,571	2,292
Depreciation	41	-	41	1,605
	264,090	196,839	460,929	474,383
<i>Total 2018</i>	<i>281,369</i>	<i>193,014</i>	<i>474,383</i>	

8. Support costs

	Basis of Allocation	Sports & Societies	Advice & Represent- ation	Total 2019	Total 2018
		£	£	£	£
Insurance & Governance	Staff numbers	2,214	4,436	6,650	24,688
IT costs	50:50 split	3,662	3,663	7,325	11,111
Staff training	Staff numbers	188	378	566	125
Technology costs	50:50 split	1,180	1,181	2,361	710
Legal & Professional fees	50:50 split	16,610	16,610	33,220	7,091
Miscellaneous expenditure	50:50 split	28,860	28,861	57,721	43,490
Wages and salaries	Staff numbers	34,133	68,368	102,501	116,928
National insurance	Staff numbers	2,392	4,791	7,183	9,340
Pension cost	Staff numbers	419	840	1,259	2,547
Depreciation	50:50 split	1,432	1,433	2,865	2,858
		91,090	130,561	221,651	218,888
<i>Total 2018</i>		<i>101,762</i>	<i>117,126</i>	<i>218,888</i>	

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9. Analysis of Expenditure by expenditure type

	Staff costs	Depreciation	Other costs	Total	<i>Total</i>
	2019	2019	2019	2019	<i>2018</i>
	£	£	£	£	£
Expenditure on fundraising trading	262,719	14,374	456,836	733,929	<i>699,277</i>
Costs of raising funds	262,719	14,374	456,836	733,929	<i>699,277</i>
Sports & Societies	96,422	1,473	257,285	355,180	<i>383,131</i>
Advice & Representation	249,292	1,433	76,675	327,400	<i>310,139</i>
Charitable activities	345,714	2,906	333,960	682,580	<i>693,270</i>
	608,433	17,280	790,796	1,416,509	<i>1,392,547</i>
<i>Total 2018</i>	<i>543,737</i>	<i>23,357</i>	<i>825,453</i>	<i>1,392,547</i>	

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10. Turnover

The whole of the turnover is attributable to the principal activity of the charitable company.

All turnover arose within the United Kingdom.

11. Net income/(expenditure)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charity	17,280	23,357
Auditors' remuneration	6,000	6,000
Operating lease rentals	15,000	15,000
	<u> </u>	<u> </u>

12. Staff costs

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	572,978	509,283
Social security costs	29,447	28,137
Other pension costs	6,009	6,317
	<u> </u>	<u> </u>
	<u>608,434</u>	<u>543,737</u>

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

	2019 No.	2018 No.
Trustees	6	4
Managers	5	5
Staff	54	49
	<u> </u>	<u> </u>
	<u>65</u>	<u>58</u>

No employee received remuneration amounting to more than £60,000 in either year.

The total amount of employee benefits (including pension contributions) received by key management personnel for their services to the charitable company are £102,713 (2018: £120,431).

Key management personnel comprise the CEO, Finance Manager and trustees.

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13. Trustees' remuneration

The total remuneration costs for the sabbatical officer trustees amounted to £58,551 (2018: £68,556). These costs relate to remuneration received as sabbatical officers, rather than as trustees.

Total trustee expenses paid for the year ended 31 July 2019 were £Nil (2018: £1,709).

During the year, no trustees received any benefit in kind (2018: £nil).

During the year retirement benefits were accruing to 5 Trustees (2018 - 5) in respect of defined contribution pension schemes.

14. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 August 2018	2,432	224,987	29,858	257,277
Additions	-	6,697	-	6,697
Disposals	(2,432)	(207,019)	(1,965)	(211,416)
At 31 July 2019	-	24,665	27,893	52,558
Depreciation				
At 1 August 2018	2,391	198,092	29,583	230,066
Charge for the year	41	16,964	275	17,280
On disposals	(2,432)	(195,194)	(1,965)	(199,591)
At 31 July 2019	-	19,862	27,893	47,755
Net book value				
At 31 July 2019	-	4,803	-	4,803
At 31 July 2018	41	26,895	275	27,211

15. Stocks

	2019 £	2018 £
Raw materials	-	34,081

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16. Debtors

	2019 £	2018 £
Trade debtors	78,558	30,855
Other debtors	320	1,735
Prepayments and accrued income	21,747	51,663
	<u>100,625</u>	<u>84,253</u>

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	11,202	28,892
Other taxation and social security	12,198	17,099
Other creditors	8,827	38,700
Accruals	19,843	22,980
	<u>52,070</u>	<u>107,671</u>

18. Financial instruments

	2019 £	2018 £
Financial assets measured at fair value through income and expenditure	37,985	170,203
Financial assets measured at amortised cost	78,878	32,590
	<u>116,863</u>	<u>202,793</u>
Financial liabilities measured at amortised cost	<u>42,867</u>	<u>107,671</u>

Financial assets measured at fair value through income and expenditure comprise cash and bank balances.

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors, other taxation and social security and accruals.

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Notes to the financial statements
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19. Statement of funds

Statement of funds - current year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2019 £
Unrestricted funds					
General funds	208,077	725,014	(743,132)	(98,616)	91,343
Restricted funds					
Student services	-	574,761	(673,377)	98,616	-
Total of funds	208,077	1,299,775	(1,416,509)	-	91,343

Statement of funds - prior year

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2018 £
Unrestricted funds					
General funds	297,194	751,462	(699,277)	(141,302)	208,077
	297,194	751,462	(699,277)	(141,302)	208,077
Restricted funds					
Student services	-	551,968	(693,270)	141,302	-
	-	551,968	(693,270)	141,302	-
Total of funds	297,194	1,303,430	(1,392,547)	-	208,077

The Student Services restricted funds are to be used for the provision of sports and societies and advice and representation services to students of Chester University.

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Notes to the financial statements
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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	4,802	-	4,802
Current assets	138,611	-	138,611
Creditors due within one year	(52,070)	-	(52,070)
	91,343	-	91,343

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	27,211	-	27,211
Current assets	288,539	-	288,539
Creditors due within one year	(107,671)	-	(107,671)
	208,079	-	208,079

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(116,734)	(89,117)
Adjustment for:		
Depreciation charges	17,280	23,357
Profit on the sale of fixed assets	(3,483)	-
Decrease in stocks	34,081	7,543
(Increase)/decrease in debtors	(16,372)	24,722
Decrease in creditors	(55,601)	(10,173)
Net cash used in operating activities	(140,829)	(43,668)

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22. Analysis of cash and cash equivalents

	2019	<i>2018</i>
	£	<i>£</i>
Cash in hand	37,985	<i>170,203</i>
Total	37,985	<i>170,203</i>

23. Pension commitments

The union operates a defined pension contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the union in an independently administered fund.

The total cost of the year of £6,009 (2018: £6,317) represents employer contributions to the scheme. At the year end, an amount of £nil (2018: £nil) was outstanding.

24. Operating lease commitments

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

	2019	<i>2018</i>
	£	<i>£</i>
Amounts payable:		
Within 1 year	15,000	<i>15,000</i>

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25. Related party transactions

The charitable company's governing parent body is the University of Chester. During the year the company received grants totalling £435,712 (2018: £400,000).

During the year the union paid rent to the University of Chester of £15,000 (2018: £15,000) and cleaning and service charge fees of £Nil (2018: £2,650).

As at 31 July 2019 the amount due from the University of Chester was £73,385 (2018: £62,611) and the balance owed to the University of Chester was £5,718 (2018: £907).