

Registered number: 07623621
Charity number: 1149397

Chester Students' Union

Trustees report and financial statements

for the year ended 31 July 2017

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Chester Students' Union
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 7
Independent auditors' report	8 - 10
Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 - 26

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 2017**

Trustees

C Mitchell, President
J Brown (resigned 30 April 2017)
A Salemm
S J Bell (appointed 5 July 2017)
J I Christon
G Eyres
J G McGovern (appointed 5 July 2017)
S L de Sa (resigned 31 August 2017)
E S Stevens (resigned 31 August 2017)
E J Wade (resigned 30 June 2017)

Company registered number

07623621

Charity registered number

1149397

Registered office

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

Senior management team

L Greenwood-Parsons, CEO (resigned 21 April 2017)
G Pye, Interim CEO (appointed 25 September 2017)
R Tunstall, Finance Manager

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 2017

The Trustees present their annual report together with the audited financial statements of Chester Students' Union for the year 1 August 2016 to 31 July 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the charity'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).

Objectives and Activities

a. Policies and objectives

The Chester Students' Union mission is "to enhance the student experience."

b. Strategies and Activities for achieving objectives

Representation

The Chester Students' Union represents 19,000 students at the university, the local community and nationally via the National Union of Students.

The union represents the student body by attending various committee meetings, the president is a University Student Governor, who meets with the university's board of governors. We also represent individual students on issues such as academic appeals, academic malpractice, disciplinary and professional suitability panel hearings.

In addition we have a Union Council which is made up of interested students. This forum provides a platform to listen and share ideas to gain a broad spectrum of opinion from the student demographic.

Advice

The union runs a professional and confidential advice service to cover any issues that a student may encounter in either their academic or personal life. Such issues can be dealt with in house, or through a referral to an appropriate external organisation. We also provide information on a wide variety of subjects such as university procedures, such as appeals, plagiarism and resits, student loans and funding, along with other general information.

Campaigns

The union carries out various campaigns during the year to engage the students, improve their health and wellbeing and to improve the services that the university provides to the students.

Sports and Societies

We proudly fund and facilitate over 100 sports and societies in which 4,000 students take part on an annual basis. These range from traditional sports such as football and hockey that compete in regional university leagues (BUCS), to faith and cultural groups, general interest groups, performance groups, political and campaigning groups. The union caters for beginners to elite performers.

To maintain our current sports and societies and to introduce additional ones, we will be taking action, such as improving the training of the committee members and running events such as give it a go, This BUCS girl can and the Societies Showcase.

Chester Students' Union
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 July 2017

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

The Chester Students' Union provide mediation to resolve issues between students and the local community, thus helping to promote better community relations. It also undertakes projects in conjunction with the local authority to clean up the local area, thus improving the local environment.

The union promotes the interests of the students by providing representation, advice and support during their course of study, along with sporting, social and cultural activities for the personal development of the students.

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

The union also promotes local businesses, encouraging the students to use their services and improve the local economy.

Achievements and performance

a. Review of activities

CSU has always been proud of its performance in the National Student Satisfaction Survey, consistently scoring in the top quartile nationally and locally. This year saw a significant change to the question, which is now focused around our impact on students' studies and this resulted in a significant drop in satisfaction across the country.

In this context we are very pleased to have obtained a student satisfaction rating of 63.27%, which places us in the top quartile across the country and 3rd in the North West.

The main themes of the CSU Strategic Plan 2015-2018 are to increase student voice on a local and national level, to improve our overall communication with students, to make it easier for students to become engaged in our activities, to develop transferable skills in our volunteers, and to ensure students have access to advice and representation of a consistently high standard.

Representation

We have continued our work to improve and support the Student Academic Representation system (StARs) with a record number of representatives receiving face to face training and a 6% increase in the number of StARs recruited.

Internally there was an increase in the number of Student Council Reps at all campuses and although we are still short of our 80% attendance target, we achieved a record high of 60%, a 36% improvement on the previous year.

In terms of national representation, we increased the number of candidates for NUS Conference delegate and sent delegations to 2 of the 3 liberation conferences.

In partnership with the University and local authority we played an active part in Generation Vote successfully encouraging 500 students to register to vote.

Our Question of the Month engaged with 3,508 students over the year leading to 7 changes being implemented on behalf of students.

Chester Students' Union
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 July 2017

Advice

There was a disappointing decline in the number of students seeking advice and representation. Given that students continue to experience financial challenges and the reported decline in student wellbeing we are reviewing why this has occurred as a matter of urgency.

At a preventative level the team devised a detailed guide to accommodation this year to ensure that the students were aware of the pit falls of entering into rental agreements with the private landlords.

Campaigns

The department has conducted a great many wellbeing campaigns this year, such as Saying No to LGBT+ Phobia, Exam De-Stressing, Sexual Health and violence.

In addition the officers have lobbied and secured change for the benefit of students around malpractice procedures, University Centre Shrewsbury accommodation, smoking penalties, improvements in common rooms, installation of floodlights, the Blackburn Fund, solar panels and induction.

The Union has continued to run the Above and Beyond Awards for university staff who have been nominated by the student body for providing exceptional service to students, with 232 nominations received.

Sports and Societies

We had another significant increase in the total number of Sports and Society members and we now have 21% more members than at the start of the current strategic plan. It is disappointing, however, that within this overall growth the number of society members has gone down and we will review what factors may have affected this. We have made significant progress in our aim to ensure that our activities are diverse with Women now making up the majority of leaders in both Sports and Societies. The overall 53:47 split is far more reflective of the University profile.

This year we trained 250 committee members and introduced new sports teams such as boxing, sub-aqua and water sports and new societies such as artists and literature.

The sports teams produced 7 league winners, 4 cup semi-finalists, and two finalists, with Men's Basketball winning the cup. Overall we maintained our 72nd place nationally.

Communication

We have achieved the goal set out in the Union Plan to increase our likes on Facebook to 10,000 and our followers on Twitter to 7,000. Over the course of the Union Plan there has been a 142% increase in the number of sessions on our website far in excess of the 25% target.

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 2016/17 financial performance is detailed later in this document. For the year ended 31 July 2017, the CSU net position was a net increase of funds of £27,571, which increased total funds to £297,193.

Chester Students' Union
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 July 2017

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 "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 its various trading activities, however it will always be dependent on the university's support.

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

Chester Students' Union
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 July 2017

Plans for future periods

a. Future developments

The immediate priority is to successfully recruit a new Chief Executive Officer.

The union continues to lobby the University for an increase in block grant funding commensurate with that received by similar unions in terms of size and sector and is actively working with the University and NUS to address long term declines in commercial activity.

The current Strategic Plan comes to an end in 2018 and there will be a strong focus on evaluating the success of the current plan, consulting with students as to their expectations and future needs and drafting a new plan for the next period.

At a national level we continue to respond to the changing situation in regards to funding of higher education and the Teaching Excellence Framework.

Funds held as custodian

Sports and Societies Funds

Chester Students' Union acts as custodian for funds raised by the student sports and societies themselves, amounting to £14,209 (2016: £23,029) at the year end, in addition to the grant support it disburses to them as shown in the accounts.

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.

Chester Students' Union
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 July 2017

Disclosure of information to auditors

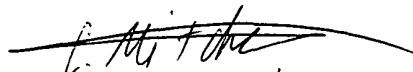
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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

and signed on their behalf by:

C Mitchell, President


18/01/18

Chester Students' Union
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Chester Students' Union for the year ended 31 July 2017 set out on pages 11 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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 2017 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 of 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 Auditor's 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.

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

Chester Students' Union
(A company limited by guarantee)

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

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 which the financial statements are prepared is consistent with the financial statements.

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 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' remunerations specified by law have not been 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.

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's or to cease operations, or have no realistic alternative but to do so.

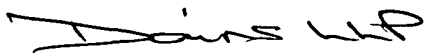
Chester Students' Union
(A company limited by guarantee)

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

Auditor's 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 Auditor's 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. The description forms part of our Auditor's report.



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:

18 January 2018

Chester Students' Union
(A company limited by guarantee)

**Statement of financial activities incorporating income and expenditure account
for the year ended 31 July 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds as restated 2016 £
Income from:					
Donations and legacies	2	-	401,500	401,500	404,034
Charitable activities	3	-	53,012	53,012	47,408
Other trading activities	4	1,022,173	-	1,022,173	1,062,335
Investments	5	1,693	-	1,693	1,712
Total income		1,023,866	454,512	1,478,378	1,515,489
Expenditure on:					
Raising funds	4	832,105	-	832,105	912,586
Charitable activities	6	-	618,702	618,702	631,914
Total expenditure	9	832,105	618,702	1,450,807	1,544,500
Net income / (expenditure) before transfers		191,761	(164,190)	27,571	(29,011)
Transfers between Funds	19	(164,190)	164,190	-	-
Net income / (expenditure) before other recognised gains and losses		27,571	-	27,571	(29,011)
Net movement in funds		27,571	-	27,571	(29,011)
Reconciliation of funds:					
Total funds brought forward		269,623	-	269,623	298,634
Total funds carried forward		297,194	-	297,194	269,623

The notes on pages 14 to 26 form part of these financial statements.

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

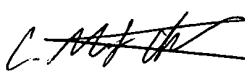
Balance sheet
as at 31 July 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	14		41,519		88,317
Current assets					
Stocks	15	41,624		56,757	
Debtors	16	108,975		85,677	
Cash at bank and in hand		222,921		155,226	
		373,520		297,660	
Creditors: amounts falling due within one year	17	(117,845)		(116,354)	
Net current assets			255,675		181,306
Net assets			297,194		269,623
Charity Funds					
Unrestricted funds	19		297,194		269,623
Total funds			297,194		269,623

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 _____ and signed on their behalf, by:

C Mitchell, President

 18/01/18

The notes on pages 14 to 26 form part of these financial statements.

Chester Students' Union
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 July 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	67,487	(30,973)
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,693	1,712
Proceeds from the sale of tangible fixed assets		-	243
Purchase of tangible fixed assets		(1,485)	(44,647)
Net cash provided by/(used in) investing activities		208	(42,692)
Change in cash and cash equivalents in the year		67,695	(73,665)
Cash and cash equivalents brought forward		155,226	228,891
Cash and cash equivalents carried forward	22	222,921	155,226

The notes on pages 14 to 26 form part of these financial statements.

Chester Students' Union
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2017

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.

Chester Students' Union
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2017

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 costs are allocated on the bases as detailed in note 8 to the accounts.

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 at Headquarters.

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.

Notes to the financial statements
for the year ended 31 July 2017

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 in furtherance of the general objectives of the charitable 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 charitable 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.

Chester Students' Union
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2017

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. The 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 are discussed below.

Critical areas of judgment:

The areas in these financial statements where these judgements and estimates have been made include assumptions around the valuation of stock, which is included in these accounts at £41,624.

2. Income from donations and legacies

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds as restated 2016 £
Grants	-	401,500	401,500	404,034
<i>Total 2016</i>	-	404,034	404,034	

3. Income from charitable activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds as restated 2016 £
Sports & Societies	-	43,096	43,096	34,808
Advice & representation	-	9,916	9,916	12,600
	-	53,012	53,012	47,408
<i>Total 2016</i>	-	47,408	47,408	

Chester Students' Union
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2017

4. Fundraising trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds as restated 2016 £
Fundraising trading income				
Fundraising income	1,022,173	-	1,022,173	1,062,335
Fundraising trading expenses				
Purchases	575,321	-	575,321	629,471
Wages and salaries	219,086	-	219,086	239,068
Depreciation	37,698	-	37,698	44,047
	832,105	-	832,105	912,586
Net income from fundraising trading activities	190,068	-	190,068	149,749

In 2016, of the total income from fundraising trading, £1,062,335 was to unrestricted funds and £nil was to restricted funds.

In 2016, of the total expenditure on fundraising trading activities, £912,586 was to unrestricted funds and £nil was to restricted funds.

Included within the category of purchases is a release of unrequired accruals totalling £67,679 (2016: £nil).

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds as restated 2016 £
Bank interest received	1,693	-	1,693	1,712
<i>Total 2016</i>	1,712	-	1,712	

Chester Students' Union
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2017

6. Analysis of expenditure on charitable activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds as restated 2016 £
Advice & representation	-	311,344	311,344	517,647
Sports & Societies	-	307,358	307,358	114,267
	-	618,702	618,702	631,914
<i>Total 2016</i>	3,733	628,181	631,914	

7. Direct costs

	Sports & Societies £	Advice & Representation £	Total 2017 £	Total as restated 2016 £
Purchases	119,009	40,763	159,772	152,299
Wages and salaries	48,615	76,923	125,538	106,770
National insurance	1,245	1,970	3,215	6,745
Pension cost	879	822	1,701	3,816
Depreciation	486	6,720	7,206	5,600
	170,234	127,198	297,432	275,230
<i>At 31 July 2016</i>	160,959	114,271	275,230	

Chester Students' Union
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2017

8. Support costs

	Basis of Allocation	Sports & Societies £	Advice & Representation £	Total 2017 £	Total as restated 2016 £
Insurance & governance	Staff numbers	10,510	12,933	23,443	12,568
IT Costs	50:50 split	7,337	7,337	14,674	8,713
Staff training	Staff numbers	5,644	6,741	12,385	15,781
Technology costs	50:50 split	1,802	1,802	3,604	3,914
Legal & Professional fees	50:50 split	1,514	1,515	3,029	9,175
Miscellaneous expenditure	50:50 split	6,021	6,020	12,041	43,957
Wages and salaries	Staff numbers	94,775	126,367	221,142	234,931
National insurance	Staff numbers	9,490	12,654	22,144	18,912
Pension cost	Staff numbers	2,326	3,101	5,427	4,786
Depreciation	50:50 split	1,691	1,690	3,381	3,947
		141,110	180,160	321,270	356,684
<i>At 31 July 2016</i>		178,342	178,342	356,684	

9. Analysis of Expenditure by expenditure type

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	219,086	37,698	575,321	832,105	912,586
Costs of generating funds	219,086	37,698	575,321	832,105	912,586
Sports & Societies	157,330	2,177	151,837	311,344	515,777
Advice & Representation	221,837	8,410	77,111	307,358	116,138
Charitable activities	379,167	10,587	228,948	618,702	631,915
	598,253	48,285	804,269	1,450,807	1,544,501
<i>Total 2016</i>	612,592	53,594	878,315	1,544,501	

Chester Students' Union
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2017

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:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	48,283	53,594
Operating lease costs	15,000	11,732
Auditor's remuneration	6,000	3,200
	<u>69,283</u>	<u>68,526</u>

12. Staff costs

Staff costs were as follows:

	2017 £	As restated 2016 £
Wages and salaries	556,770	567,757
Social security costs	32,134	33,377
Other pension costs	9,349	11,458
	<u>598,253</u>	<u>612,592</u>

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

	2017 No.	2016 No.
Trustees	4	4
Managers	8	2
Staff	49	65
	<u>61</u>	<u>71</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 £138,358 (2016: £162,094).

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

Chester Students' Union
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2017

13. Trustees' remuneration

The total remuneration costs for the sabbatical officer trustees amounted to £67,281 (2016: £76,703).

Total trustee expenses paid for the year ended 31 July 2017 were £1,183 (2016: £1,883).

During the year, no trustees received any benefit in kind (2016: £nil).

During the year retirement benefits were accruing to 4 Trustees (2016 - 4) in respect of defined contribution pension schemes.

14. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 August 2016	2,432	214,452	29,858	246,742
Additions	-	1,485	-	1,485
At 31 July 2017	2,432	215,937	29,858	248,227
Depreciation				
At 1 August 2016	1,419	136,207	20,799	158,425
Charge for the year	486	40,606	7,191	48,283
At 31 July 2017	1,905	176,813	27,990	206,708
Net book value				
At 31 July 2017	527	39,124	1,868	41,519
At 31 July 2016	1,013	78,245	9,059	88,317

15. Stocks

	2017 £	2016 £
Finished goods	41,624	56,757

Chester Students' Union
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2017

16. Debtors

	2017	2016
	£	£
Trade debtors	38,112	60,085
Other debtors	3,085	-
Prepayments and accrued income	67,778	25,592
	<u>108,975</u>	<u>85,677</u>

17. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	76,307	58,548
Other taxation and social security	12,389	22,080
Other creditors	18,532	26,920
Accruals	10,617	8,806
	<u>117,845</u>	<u>116,354</u>

18. Prior year adjustment

The charitable company has restated the classification of income and expenditure shown in the Statement of Financial Activities in order to better reflect the nature of transactions incurred.

The charitable company has restated restricted and unrestricted funds to reflect the nature of funding obtained.

Neither of these restatements have impacted on the previously reported deficit for the financial year for the year ended 31 July 2016.

Chester Students' Union
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 July 2017**

19. Statement of funds

Statement of funds - current year

	Balance at 1 August 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2017 £
Unrestricted funds					
General funds	269,623	1,023,866	(832,105)	(164,190)	297,194
Restricted funds					
Student services	-	454,512	(618,702)	164,190	-
Total of funds	269,623	1,478,378	(1,450,807)	-	297,194

Statement of funds - prior year (as restated)

	Balance at 1 August 2015 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2016 £
Unrestricted funds					
General funds	298,634	1,064,047	(912,586)	(180,472)	269,623
	298,634	1,064,047	(912,586)	(180,472)	269,623
Restricted funds					
Student services	-	451,442	(631,914)	180,472	-
	-	451,442	(631,914)	180,472	-
Total of funds	298,634	1,515,489	(1,544,500)	-	269,623

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.

Chester Students' Union
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2017

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	41,519	-	41,519
Current assets	373,519	-	373,519
Creditors due within one year	(117,844)	-	(117,844)
	<u>297,194</u>	<u>-</u>	<u>297,194</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Tangible fixed assets	88,319	-	88,319
Current assets	297,660	-	297,660
Creditors due within one year	(116,356)	-	(116,356)
	<u>269,623</u>	<u>-</u>	<u>269,623</u>

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	27,571	(29,011)
Adjustment for:		
Depreciation charges	48,283	53,593
Dividends, interest and rents from investments	(1,693)	(1,712)
Decrease/(increase) in stocks	15,133	(15,167)
Increase in debtors	(23,298)	(8,250)
Increase/(decrease) in creditors	1,491	(30,426)
Net cash provided by/(used in) operating activities	<u>67,487</u>	<u>(30,973)</u>

Chester Students' Union
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2017

22. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	222,921	19,274
Notice deposits (less than 3 months)	-	135,952
Total	<u>222,921</u>	<u>155,226</u>

23. Pension commitments

The union operates a defined 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 £9,349 (2016: £11,458) represents employer contributions to the scheme. At the year end, an amount of £nil (2016: £nil) was outstanding.

24. Operating lease commitments

At 31 July 2017 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	<u>15,000</u>	<u>15,000</u>

25. Related party transactions

The charitable company's governing parent body is the University of Chester. During the year the company received a recurrent grant of £401,500 (2016 - £401,500).

During the year the university paid rent to the University of Chester of £15,000 (2016 - £15,000) and cleaning and service charge fees of £3,391 (2016 - £3,523).

As at 31 July 2017 the amount due from the University of Chester was £68,512 (2016 - £30,384) and the balance owed to the University of Chester was £36,214 (2016 - £10,188).