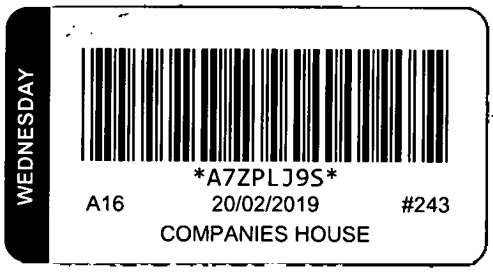
Registered number: 07623621
Charity number: 1149397

Chester Students' Union

Trustees' report and financial statements

For the Year Ended 31 July 2018



DAINS
ACCOUNTANTS

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 2018

Trustees

C Mitchell, President (resigned 30 June 2018)
G Eyres (resigned 30 May 2018)
A Salemme (resigned 29 May 2018)
S J Bell
J I Christon (resigned 29 May 2018)
J G McGovern
S L de Sa (resigned 31 August 2017)
E S Stevens (resigned 31 August 2017)
R Winkler (appointed 1 August 2017)
J Appleby (appointed 1 July 2018)
B France, President (appointed 1 July 2018)
N Hodson (appointed 1 August 2017)

Company registered number

07623621

Charity registered number

1149397

Registered office

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

Senior management team

G Pye, CEO (appointed 25 September 2017)
R Tunstall, Finance Manager (resigned 31 January 2018)

Independent auditors

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

Trustees' report
For the Year Ended 31 July 2018

The Trustees present their annual report together with the audited financial statements of the company for the year 1 August 2017 to 31 July 2018. 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).

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
Over the last 12 months Chester Students' Union has been consulting its membership as to its future direction and has adopted a new Strategic Plan with a new vision of inspiring University of Chester Students to be happy and healthy.

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 on matters such as academic appeals, academic malpractice, disciplinary and professional, panel hearings.

We have a Union Council which provides a forum for students across the University to listen to and share ideas.

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 an appropriate external organisation. We also provide information on a wide variety of subjects such as University procedures, appeals, plagiarism, resits, student funding and general information.

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.

Sports and Societies
We fund and facilitate over 100 sports and societies in which over 4,000 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.

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 provides mediation between students 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.

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 disappointed to see a slight reduction in our satisfaction score from 63% to 61%. This score continues to see us in the top quartile in the country and one of the top Unions regionally however we have undertaken an internal review to address the decline in satisfaction.

CSU was proud to be shortlisted for Students' Union of the Year at the Educate North awards in April.

Over the last 12 months we have drafted and then adopted a new strategic vision to inspire students to be happy and healthy. The main themes of the strategy are:

- 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.

Representation
In 2017/18 we worked with the University to review and revamp the student led teaching awards. Through the adoption of a new, more mature brand and the hosting of a more elaborate ceremony we were able to increase interactions with the awards by over 100% and create a real sense of celebration of good academic practice.

Towards the end of the academic year we agreed with the University senior management to reform the academic representation system making a commitment in 2018/19 to appoint a dedicated staff member to support the work of our reps.

We launched "Big Idea" as a means of allowing students to suggest new ideas on line and seek the support of their peers in getting them adopted. In the first 6 months we had 22 ideas and a total of 490 votes revealing the potential for this form of democracy to replace the traditional process driven mechanisms.

Between Christmas and Easter we launched "Let's Talk About You" our annual conversation with the membership to inform and shape our work.

Advice
Our advice service experienced an unprecedented growth in demand from students seeking advice and representation.

A total of 1,104 students accessed the service compared to 744 in the year previous. This is partly explained by a new arrangement with the University where students presenting to the University's hardship fund are offered a direct referral for support. This has resulted in the advice team advising on over £30,000 of hardship payments for students.

Campaigns
The Union has conducted a number of high profile campaigns this year. Our wellbeing activities have resulted in 1000s of interactions with Sexual Health and Guidance Week, LGBT+ History Month, exam distress initiatives and staying safe on social media.

In addition the officers successfully lobbied for Wednesday afternoons to remain free for recreational activities, for the restoration of common rooms on some campuses, for the creation of spaces for commuting students, for examination feedback and for an increase in the block grant for the Union.

Sports and Societies
The year saw the first slight decrease in total memberships for some time. However, the total number of activities has increased giving our members more variety. We were particularly pleased to see the creation of a society at one of our nursing campuses meaning that we now have groups at 4 of our campuses. We also had a record number at Warrington.

In total over 4,800 hours of volunteering was undertaken by our sports and society leaders whilst charity fundraising was up 104% with over £43,000 raised for good causes.

For the first time ever we won both of our Varsity events, had 6 BUCS league wins, 4 national cup finalists with 3 teams going on to lift the trophy.

Communication
In December 2017 we undertook a review of our communication needs given the financial performance of the Union. We resolved to outsource our design needs and to develop staff teams to become digital champions.

A Communications Strategy was approved and regular communication meetings ensure that there is constant and varied content on or social media accounts.

Early poor communication in the first quarter was pulled back with twitter 25% down on the previous year but the momentum in the final half of the year has laid a strong foundation for the future

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 2017/18 financial performance is detailed later in this document. For the year ended 31 July 2018, the CSU net position was a net decrease in funds of £89,117, which decreased total funds to £208,077.

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 Studens' 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 be dependent on the university's continued 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.

Plans for future periods

a. Future developments

Having successfully lobbied for an increase in the block grant the Union plans to invest in engagement with students alongside the adoption of a new strategic vision of developing happy and healthy students. The immediate priority is to recruit an Academic Representation Co-ordinator who will be able to work with officers and the University to reform the course representation system into one that improves student satisfaction on their courses.

The new Union Plan also has a strong emphasis on the development of alcohol free, inclusive events for students on all campuses. A first stage in this will be the recruitment of an Events and Marketing Co-ordinator on a fixed term basis to lead on this agenda.

Finally, the Students' Union must work with the University to address students' low sense of wellbeing. We will seek to increase the staffing within our Advice team and make an annual commitment to the development of welfare campaigns.

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 £13,009 (2017: £14,209) 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.

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 18/01/19 and signed on their behalf by:

B France
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 2018 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 2018 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.

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.

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: 18 January 2019

Chester Students' Union

(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
For the Year Ended 31 July 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	*Total funds 2017 £*
Income from:					
Donations and legacies	2	-	**400,000**	**400,000**	*401,500*
Charitable activities	3	-	**151,968**	**151,968**	*53,012*
Other trading activities	4	**751,462**	-	**751,462**	*1,022,172*
Investments	5	-	-	-	*1,693*
Total income		**751,462**	**551,968**	**1,303,430**	*1,478,377*
Expenditure on:					
Raising funds	4	**699,277**	-	**699,277**	*832,105*
Charitable activities	6	-	**693,270**	**693,270**	*618,702*
Total expenditure	9	**699,277**	**693,270**	**1,392,547**	*1,450,807*
Net income / (expenditure) before transfers		**52,185**	**(141,302)**	**(89,117)**	*27,570*
Transfers between Funds	19	**(141,302)**	**141,302**	-	-
Net income / (expenditure) before other recognised gains and losses		**(89,117)**	-	**(89,117)**	*27,570*
Net movement in funds		**(89,117)**	-	**(89,117)**	*27,570*
Reconciliation of funds:					
Total funds brought forward		**297,194**	-	**297,194**	*269,624*
Total funds carried forward		**208,077**	-	**208,077**	*297,194*

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 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	14		**27,211**		*41,518*
Current assets					
Stocks	15	**34,081**		*41,624*	
Debtors	16	**84,253**		*108,975*	
Cash at bank and in hand		**170,203**		*222,921*	
		288,537		*373,520*	
Creditors: amounts falling due within one year	17	**(107,671)**		*(117,844)*	
Net current assets			**180,866**		*255,676*
Net assets			**208,077**		*297,194*
Charity Funds					
Unrestricted funds	19		**208,077**		*297,194*
Total funds			**208,077**		*297,194*

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 18/01/19 and signed on their behalf, by:

B France
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 2018

	Note	2018 £	*2017 £*
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	**(43,668)**	*67,487*
Cash flows from investing activities:			
Dividends, interest and rents from investments		**-**	*1,693*
Purchase of tangible fixed assets		**(9,050)**	*(1,485)*
Net cash (used in)/provided by investing activities		**(9,050)**	*208*
Change in cash and cash equivalents in the year		**(52,718)**	*67,695*
Cash and cash equivalents brought forward		**222,921**	*155,226*
Cash and cash equivalents carried forward	22	**170,203**	*222,921*

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 forseeable 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 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 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.

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 £34,081.

2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	*Total funds 2017 £*
Grants	-	**400,000**	**400,000**	*401,500*
Total 2017	-	*401,500*	*401,500*	

3. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	*Total funds 2017 £*
Sports & Societies	-	**143,791**	**143,791**	*43,096*
Advice & Representation	-	**8,177**	**8,177**	*9,916*
	-	**151,968**	**151,968**	*53,012*
Total 2017	-	*53,012*	*53,012*	

4. Fundraising trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	*Total funds 2017 £*
Fundraising trading income				
Fundraising income	**751,462**	-	**751,462**	*1,022,172*
Fundraising trading expenses				
Purchases	**480,135**	-	**480,135**	*575,321*
Wages and salaries	**200,248**	-	**200,248**	*219,086*
Depreciation	**18,894**	-	**18,894**	*37,698*
	699,277	-	**699,277**	*832,105*
Net income from fundraising trading activities	**52,185**	-	**52,185**	*190,067*

In 2017, of the total income from fundraising trading, £1,022,173 was to unrestricted funds and £nil was to restricted funds.

In 2017, of the total expenditure on fundraising trading activities, £832,105 was to unrestricted funds and £nil was to restricted funds.

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	*Total funds 2017 £*
Bank interest received	-	-	-	*1,693*
Total 2017	*1,693*	-	*1,693*	

6. Analysis of expenditure on charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	*Total funds 2017 £*
Sports & Societies	-	**383,131**	**383,131**	*311,344*
Advice & Representation	-	**310,139**	**310,139**	*307,358*
	-	**693,270**	**693,270**	*618,702*
Total 2017	-	*618,701*	*618,701*	

7. Direct costs

	Sports & Societies £	Advice & Represent-ation £	Total 2018 £	*Total 2017 £*
Purchases	**220,243**	**37,860**	**258,103**	*159,772*
Wages and salaries	**55,993**	**142,355**	**198,348**	*125,538*
National insurance	**3,565**	**10,469**	**14,034**	*3,215*
Pension cost	**1,082**	**1,210**	**2,292**	*1,701*
Depreciation	**486**	**1,120**	**1,606**	*7,206*
	281,369	**193,014**	**474,383**	*297,432*
Total 2017	*170,234*	*127,198*	*297,432*	

8. Support costs

	Basis of Allocation	Sports & Societies £	Advice & Represent-ation £	Total 2018 £	*Total 2017 £*
Insurance & governance	Staff numbers	**11,110**	**13,578**	**24,688**	*23,443*
IT costs	50:50 split	**5,555**	**5,556**	**11,111**	*14,674*
Staff training	Staff numbers	**56**	**69**	**125**	*12,385*
Technology costs	50:50 split	**355**	**355**	**710**	*3,604*
Legal & Professional fees	50:50 split	**3,546**	**3,545**	**7,091**	*3,029*
Miscellaneous expenditure	50:50 split	**21,745**	**21,745**	**43,490**	*12,040*
Wages and salaries	Staff numbers	**52,618**	**64,310**	**116,928**	*221,142*
National insurance	Staff numbers	**4,203**	**5,137**	**9,340**	*22,144*
Pension cost	Staff numbers	**1,146**	**1,401**	**2,547**	*5,427*
Depreciation	50:50 split	**1,428**	**1,429**	**2,857**	*3,381*
		101,762	**117,125**	**218,887**	*321,269*
Total 2017		*141,110*	*180,160*	*321,270*	

9. Analysis of Expenditure by expenditure type

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	*Total 2017 £*
Expenditure on fundraising trading	**200,248**	**18,894**	**480,135**	**699,277**	*832,105*
Costs of raising funds	**200,248**	**18,894**	**480,135**	**699,277**	*832,105*
Sports & Societies	**118,607**	**1,914**	**262,610**	**383,131**	*311,344*
Advice & Representation	**224,882**	**2,549**	**82,708**	**310,139**	*307,358*
Charitable activities	**343,489**	**4,463**	**345,318**	**693,270**	*618,702*
	543,737	**23,357**	**825,453**	**1,392,547**	*1,450,807*
Total 2017	*598,253*	*48,285*	*804,269*	*1,450,807*	

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:

	2018 £	*2017 £*
Depreciation of tangible fixed assets:		
- owned by the charity	**23,357**	*48,283*
Auditors' remuneration	**6,000**	*6,000*
Operating lease rentals	**15,000**	*15,000*

12. Staff costs

Staff costs were as follows:

	2018 £	*2017 £*
Wages and salaries	**509,283**	*556,770*
Social security costs	**28,137**	*32,134*
Other pension costs	**6,317**	*9,349*
	543,737	*598,253*

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

	2018 No.	*2017 No.*
Trustees	**4**	*4*
Managers	**5**	*8*
Staff	**49**	*49*
	58	*61*

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 £120,431 (2017: £138,358).

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

13. Trustees' remuneration

The total remuneration costs for the sabbatical officer trustees amounted to £68,556 (2017: £67,281). These costs relate to remuneration received as sabbatical officers, rather than as trustees.

Total trustee expenses paid for the year ended 31 July 2018 were £1,709 (2017: £1,183).

During the year, no trustees received any benefit in kind (2017: £nil).

During the year retirement benefits were accruing to 5 Trustees *(2017 - 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 2017	**2,432**	**215,937**	**29,858**	**248,227**
Additions	**-**	**9,050**	**-**	**9,050**
At 31 July 2018	**2,432**	**224,987**	**29,858**	**257,277**
Depreciation				
At 1 August 2017	**1,905**	**176,813**	**27,991**	**206,709**
Charge for the year	**486**	**21,279**	**1,592**	**23,357**
At 31 July 2018	**2,391**	**198,092**	**29,583**	**230,066**
Net book value				
At 31 July 2018	**41**	**26,895**	**275**	**27,211**
At 31 July 2017	*527*	*39,124*	*1,867*	*41,518*

15. Stocks

	2018 £	*2017 £*
Raw materials	**34,081**	*41,624*

16. Debtors

	2018 £	2017 £
Trade debtors	**30,855**	*38,112*
Other debtors	**1,735**	*3,085*
Prepayments and accrued income	**51,663**	*67,778*
	84,253	*108,975*

17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	**28,892**	*76,308*
Other taxation and social security	**17,099**	*12,389*
Other creditors	**38,700**	*18,530*
Accruals	**22,980**	*10,617*
	107,671	*117,844*

18. Financial instruments

	2018 £	2017 £
Financial assets measured at fair value through income and expenditure	**170,203**	*222,921*
Financial assets measured at amortised cost	**32,590**	*41,197*
	202,793	*264,118*
Financial liabilities measured at amortised cost	**107,671**	*117,844*

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.

19. Statement of funds

Statement of funds - current 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**
Restricted funds					
Student services	**-**	**551,968**	**(693,270)**	**141,302**	**-**
Total of funds	**297,194**	**1,303,430**	**(1,392,547)**	**-**	**208,077**

19. Statement of funds (continued)

Statement of funds - prior 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*
	269,623	*1,023,866*	*(832,105)*	*(164,190)*	*297,194*
Restricted funds					
Student services	-	*454,512*	*(618,702)*	*164,190*	-

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.

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	**Restricted funds 2018** £	**Total funds 2018** £
Tangible fixed assets	**27,211**	**-**	**27,211**
Current assets	**288,537**	**-**	**288,537**
Creditors due within one year	**(107,671)**	**-**	**(107,671)**
	208,077	**-**	**208,077**

Analysis of net assets between funds - prior 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)*
	297,194	-	*297,194*

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

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	**(89,117)**	*27,570*
Adjustment for:		
Depreciation charges	**23,357**	*48,283*
Dividends, interest and rents from investments	**-**	*(1,693)*
Decrease in stocks	**7,543**	*15,133*
Decrease/(increase) in debtors	**24,722**	*(23,298)*
(Decrease)/increase in creditors	**(10,173)**	*1,492*
Net cash (used in)/provided by operating activities	**(43,668)**	*67,487*

22. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	**170,203**	*222,921*
Total	**170,203**	*222,921*

23. Pension commitments

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

The total cost of the year of £6,317 (2017: £9,349) represents employer contributions to the scheme. At the year end, an amount of £nil (2017: £nil) was outstanding.

24. Operating lease commitments

At 31 July 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	**15,000**	*15,000*

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 £400,000 (2017: £401,500).

During the year the union paid rent to the University of Chester of £15,000 (2017 - £15,000) and cleaning and service charge fees of £2,650 (2017 - £3,391).

As at 31 July 2018 the amount due from the University of Chester was £62,611 (2017: £68,512) and the balance owed to the University of Chester was £907 (2017: £36,214).