

YUSU COMMERCIAL SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

YUSU COMMERCIAL SERVICES LIMITED

COMPANY INFORMATION

Directors	B Vulliamy J Sims
Company secretary	Nick Smith
Registered number	06796193
Registered office	The University of York Students' Union (YUSU) The Student Centre Heslington Lane York North Yorkshire YO10 5DD
Independent auditor	BHP LLP Chartered Accountants & Statutory Auditor Rievaulx House 1 St Mary's Court Blossom Street York YO24 1AH

YUSU COMMERCIAL SERVICES LIMITED

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YUSU COMMERCIAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2019

The directors present their report and the financial statements for the year ended 31 July 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

B Vulliamy
J Sims

Disclosure of information to auditor

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

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

Auditor

The auditor, BHP LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

YUSU COMMERCIAL SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 23 January 2020 and signed on its behalf.



Jamie Sims
Director

Opinion

We have audited the financial statements of YUSU Commercial Services Limited (the 'Company') for the year ended 31 July 2019, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2019 and of its profit 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 directors 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 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

YUSU COMMERCIAL SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUSU COMMERCIAL SERVICES LIMITED (CONTINUED)

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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 Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YUSU COMMERCIAL SERVICES LIMITED (CONTINUED)

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Marshall (Senior statutory auditor)

for and on behalf of
BHP LLP

Chartered Accountants
Statutory Auditor

Rievaulx House
1 St Mary's Court
Blossom Street
York
YO24 1AH

27 January 2020

YUSU COMMERCIAL SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2019**

	Note	2019 £	2018 £
Turnover		1,147,218	805,501
Cost of sales		(483,863)	(326,140)
Gross profit		663,355	479,361
Administrative expenses		(563,378)	(430,594)
Operating profit		99,977	48,767
Interest receivable and similar income		1,076	994
Profit before tax		101,053	49,761
Tax on profit		(544)	(1,237)
Profit for the financial year		100,509	48,524

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 9 to 14 form part of these financial statements.

All amounts relate to continuing operations.

**BALANCE SHEET
 AS AT 31 JULY 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	<u>31,167</u>	<u>23,258</u>
		31,167	23,258
Current assets			
Stocks	5	30,490	12,364
Debtors: amounts falling due within one year	6	77,875	46,003
Cash at bank and in hand		<u>118,545</u>	<u>152,900</u>
		226,910	211,267
Creditors: amounts falling due within one year	7	<u>(157,566)</u>	<u>(185,999)</u>
Net current assets		<u>69,344</u>	<u>25,268</u>
Total assets less current liabilities		<u>100,511</u>	<u>48,526</u>
Net assets		<u><u>100,511</u></u>	<u><u>48,526</u></u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account		<u>100,510</u>	<u>48,525</u>
		<u>100,511</u>	<u>48,526</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 January 2020.

Jamie Sims
 Director

YUSU COMMERCIAL SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2017	1	47,966	47,967
Comprehensive income for the year			
Profit for the year	-	48,524	48,524
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	48,524	48,524
Gift aid distribution	-	(47,965)	(47,965)
At 1 August 2018	1	48,525	48,526
Comprehensive income for the year			
Profit for the year	-	100,509	100,509
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	100,509	100,509
Gift aid distribution	-	(48,524)	(48,524)
At 31 July 2019	1	100,510	100,511

The notes on pages 9 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

YUSU Commercial Services Limited is a private company limited by shares, incorporated in England and Wales.

The following principal accounting policies have been applied:

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Motor vehicles	- between 3 and 5 years.
Fixtures and fittings	- between 3 and 5 years.
Office equipment	- between 3 and 5 years.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

1.4 Operating leases

Rentals under operating leases are charged to the Profit and Loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1. Accounting policies (continued)

1.5 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 bank.

1.6 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.

1.7 Debtors

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

1.8 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.

1.9 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 probably 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 or 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.

1.10 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.

1.11 Employee benefits

The costs of short term employee benefits are recognised as a liability and expenses.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

1. Accounting policies (continued)**1.12 Critical accounting estimates and areas of judgment**

In the application of the company's accounting policies, the board are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. Operating profit

	2019	2018
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	17,890	17,293
Auditor's remuneration	776	2,650
Operating lease rentals:		
- plant and machinery	-	1,550
	<u><u> </u></u>	<u><u> </u></u>

3. Staff costs

	2019	2018
	£	£
Wages and salaries	423,595	311,937
National Insurance	27,732	23,886
Other pension costs	8,332	4,941
	<u><u>459,659</u></u>	<u><u>340,764</u></u>

The average monthly employee numbers, including the directors, during the year was 190 (2018: 150).

The full time equivalent number of staff employed by the company was 32 (2018: 31).

YUSU COMMERCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

4. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<i>Cost or valuation</i>				
At 1 August 2018	6,250	61,263	75,277	142,790
Additions	5,000	3,495	17,304	25,799
At 31 July 2019	<u>11,250</u>	<u>64,758</u>	<u>92,581</u>	<u>168,589</u>
<i>Depreciation</i>				
At 1 August 2018	6,055	49,011	64,466	119,532
Charge for the year on owned assets	334	8,944	8,612	17,890
At 31 July 2019	<u>6,389</u>	<u>57,955</u>	<u>73,078</u>	<u>137,422</u>
<i>Net book value</i>				
At 31 July 2019	<u>4,861</u>	<u>6,803</u>	<u>19,503</u>	<u>31,167</u>
At 31 July 2018	<u>195</u>	<u>12,252</u>	<u>10,811</u>	<u>23,258</u>

5. Stocks

	2019 £	2018 £
Goods for resale	30,490	12,364
	<u>30,490</u>	<u>12,364</u>

YUSU COMMERCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

6. Debtors

	2019 £	2018 £
Trade debtors	29,959	15,568
Amounts owed by group undertakings	3,518	-
Other debtors	736	712
Prepayments and accrued income	43,662	29,723
	<u>77,875</u>	<u>46,003</u>

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	29,199	19,328
Amounts owed to group undertakings	-	46,349
Corporation tax	-	1,237
Other taxation and social security	45,252	33,858
Other creditors	1,930	1,018
Accruals and deferred income	81,185	84,209
	<u>157,566</u>	<u>185,999</u>

8. Share capital

	2019 £	2018 £
<i>Allotted, called up and fully paid</i>		
1 (2018 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

9. Related party transactions

The University of York Students' Union is considered to be a related party as it is the ultimate controlling party. At the end of the financial period amounts owed to the company by the University of York Students' Union were £3,518 (2018: £46,349 creditor).

During the year, the company made payments to the University of York Students' Union relating to equipment rental of £18,750 (2018: £18,750), management charges of £12,000 (2018: £12,000), a payment under gift aid of £48,524 (2018: £47,965) and received income of £112,417 (2018: £120,151) under a catering agreement.

YUSU COMMERCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

10. Ultimate parent undertaking and controlling party

In the opinion of the directors, the controlling party of the company is the University of York Students' Union, which controls 100% of the allotted share capital of the company.

Registered number: 06796193

YUSU COMMERCIAL SERVICES LIMITED

DETAILED ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

YUSU COMMERCIAL SERVICES LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2019

	Note	2019 £	2018 £
Turnover		1,147,218	805,501
Cost Of Sales		(483,863)	(326,140)
Gross profit		663,355	479,361
Gross profit %		57.8 %	59.5 %
Less: overheads			
Administration expenses		(563,378)	(430,594)
Operating profit		99,977	48,767
Interest receivable		1,076	994
Tax on profit on ordinary activities		(544)	(1,237)
Profit for the year		100,509	48,524

YUSU COMMERCIAL SERVICES LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019**

	2019	2018
	£	£
<i>Turnover</i>		
Bar income	990,922	656,990
Events income	60,979	69,780
Machine hire	3,757	1,119
Venue hire	6,557	4,013
Recharged income	85,003	73,599
	<u>1,147,218</u>	<u>805,501</u>
	2019	2018
	£	£
<i>Cost of sales</i>		
Opening stocks - bar	12,364	6,934
Closing stocks - bar	(30,490)	(12,364)
Purchases - bar	398,779	256,974
Events purchases	6,752	9,892
Wages and salaries	74,690	52,404
Consumables	12,963	7,949
Light, heat and power	8,805	4,351
	<u>483,863</u>	<u>326,140</u>

YUSU COMMERCIAL SERVICES LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019**

	2019 £	2018 £
<i>Administration expenses</i>		
Staff salaries	376,637	283,419
Staff pension costs - defined contribution schemes	8,332	4,941
Staff training	2,810	3,372
Hotels, travel and subsistence	3,153	2,046
General office expenses	27,983	12,756
Advertising and promotion	2,971	1,817
Auditor's remuneration	232	2,650
Internal audit costs	12,000	12,000
Equipment hire	47,237	45,543
Equipment leasing (operational)	80	1,550
Sundry expenses	3,624	3,203
Uniforms	2,186	1,525
Cleaning	(50)	1,985
Service charges	19,343	10,969
Insurances	3,288	3,258
Repairs and maintenance	8,401	4,830
YOYO charges	27,261	17,437
Depreciation - plant and machinery	17,890	17,293
	<u>563,378</u>	<u>430,594</u>
	2019 £	2018 £
<i>Interest receivable</i>		
Bank interest receivable	1,076	994
	<u>1,076</u>	<u>994</u>