

**QUEEN MARY STUDENTS UNION**  
**VILLAGE AND INFUSION SHOPS**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31<sup>ST</sup> JULY, 2005**

**INDEPENDENT AUDITORS' REPORT****TO THE ADVISORY PANEL OF****QUEEN MARY STUDENTS UNION****VILLAGE AND INFUSION SHOPS**

We have audited the income and expenditure account of Queen Mary Students Union (QMSU) Village and Infusion Shops for the year ended 31<sup>st</sup> July, 2005, which has been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Advisory Panel of QMSU Village and Infusion Shops as a body. Our audit work has been undertaken, so that we might state to the Board's members those matters we are required to state 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 Panel and the Panel's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE UNIVERSITY OF LONDON UNION AND AUDITORS**

As described in the Statement of Union Management Committee Responsibilities, the University of London Union is responsible for the preparation of the income and expenditure account in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the income and expenditure account in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the income and expenditure account gives a true and fair view and is properly prepared in accordance with the agreement of 1<sup>st</sup> September, 2004 between University of London Union and Queen Mary Students Union. We also report to you if, in our opinion, University of London Union has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the income and expenditure account. It also includes an assessment of the significant estimates and judgements made by the Union Management Committee in the preparation of the income and expenditure account and of whether the accounting policies are appropriate to the circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the income and expenditure account is free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the income and expenditure account.

**OPINION**

In our opinion the income and expenditure account gives a true and fair view of the state of the deficit for the year ended 31<sup>st</sup> July, 2005, and has been properly prepared in accordance with the agreement of 1<sup>st</sup> September, 2004.

Knox Cropper  
Chartered accountants  
Registered auditors

16 New Bridge Street  
London  
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**QUEEN MARY STUDENTS UNION VILLAGE AND INFUSION SHOPS****INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31<sup>ST</sup> JULY, 2005**

	<b>Village Shop</b>	<b>Infusion Shop</b>	<b>Total</b>
	£	£	£
<b>Turnover</b>	283,676	433,738	717,414
Cost of Sales	(212,628)	(278,394)	(491,022)
<b>Gross Profit</b>	<u>71,048</u>	<u>155,344</u>	<u>226,392</u>
<b>Expenses:</b>			
Salaries	68,418	93,637	162,055
Capital Contribution to QMSU	29,925	17,325	47,250
Security	3,043	-	3,043
Publicity	3,738	-	3,738
Opt In Account	-	(4,000)	(4,000)
Repairs and Maintenance	6,486	16,233	22,719
Stocktaking	2,062	2,844	4,906
Credit Card Charges	1,506	1,553	3,059
Miscellaneous Expenses	7,993	10,183	18,176
Insurance	1,302	1,781	3,083
	<u>124,473</u>	<u>139,556</u>	<u>264,029</u>
<b>Net (Loss)/Profit</b>	<u>£(53,425)</u>	<u>£15,788</u>	<u>£(37,637)</u>
Loss allocated as follows (note 2):			
		QMSU	18,818
		ULU	18,819
			<u>£37,637</u>

**QUEEN MARY STUDENTS UNION VILLAGE AND INFUSION SHOPS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> JULY, 2005**

**1. ACCOUNTING POLICIES**

- (a) The income and expenditure account has been prepared under the historical cost convention.
- (b) Stock is valued at the lower of cost and net realisable value.

**2. SHARE OF PROFITS**

Under the agreement of 1<sup>st</sup> September, 2004, profits are shared between the University of London Union and Queen Mary Students Union as follows:

First £50,000 is payable to Queen Mary Students Union;  
Next £50,000 is payable to University of London Union;  
The balance is allocated between University of London Union and Queen Mary Students Union on a 60:40 basis;  
Any losses are shared between the Unions on a 50:50 basis.

**3. STATEMENT OF THE UNION MANAGEMENT COMMITTEE RESPONSIBILITIES**

Under the agreement of 1<sup>st</sup> September, 2004, the University of London Union is required to ensure that the income and expenditure account is prepared for each financial year for presentation to the Advisory Panel, which gives a true and fair view of the state of affairs of the QMSU Village and Infusion Shops and of its surplus or deficit for that period. In preparing the income and expenditure account, the University of London Union is required to select suitable accounting policies and apply them consistently, make estimates and judgements that are reasonable and prudent and prepare the income and expenditure account on a going concern basis when it is appropriate to presume that the QMSU Village and Infusion Shops will continue to operate.

The University of London Union is responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy, at any time, the financial position of the QMSU Village and Infusion Shops. They are also responsible for safeguarding the assets of QMSU Village and Infusion Shops and hence for taking reasonable steps for the prevention and detection, of fraud and other irregularities.