

UNIVERSITY OF LONDON UNION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST JULY, 2005

UNIVERSITY OF LONDON UNION**EXECUTIVE OFFICERS' REPORT**

The Executive Officers of the Union present their report and the audited financial statements for the year ended 31st July, 2005.

Constitutional details

The Finance Committee shall be responsible to the Union Council and to the Committee on Student Activities and Management (C.S.A.M.) for the Union's finances, development and services and shall formulate policy in these areas, subject to the approval of the Union Council and C.S.A.M., and shall make reports to C.S.A.M. in accordance with the Education Act 1994, other relevant legislation, and the requirements of the University Statutes and Ordinances.

Aims and objectives

The aims and objectives of the University of London Union are:

- i) To promote the welfare and representation of the students of the University of London;
- ii) To provide a channel of communication between its students, student officers and the University;
- iii) To provide a range of educational, cultural, commercial, social and sporting facilities which advance the interests of the students of the University;
- iv) To promote sporting and civil educational opportunities available to its members;
- v) To promote sporting and social activity and a degree of excellence in the areas of society and sporting life for the enhancement of the University of London Union.

Sabbatical Officers

	2005/2006	2004/2005
President	Vacant	Matt Cooke
Vice President (Finance, Services & Operations)	Sam Thomas	Rob Park
Vice President (Welfare and Student Affairs)	Nicky Grant	Jo Fried
Vice President (Sports & Societies)	Laura Bigg-Wither	Jim Eynon

UNIVERSITY OF LONDON UNION

EXECUTIVE OFFICERS' REPORT Continued

Affiliations

Organisations affiliated to by ULU:

The British Universities Sports Association (BUSA)
 National Postgraduate Committee
 Amateur Football Alliance
 South of England Athletics Association
 Southern Universities Dance Association
 Inter-Varsity Dance Association
 English Amateur Dancesport Association
 England Basketball (prev. EBBA)
 Amateur Rowing Association & individual membership
 English Bridge Union
 British Canoe Union
 Council of Northern Caving Clubs
 British Cave Rescue Association
 National Caving Association
 English Hockey Association
 Surrey Hockey Association
 Jitsu Foundation

 British Judo Association
 Karate Union of Great Britain
 English Lacrosse Association

Southern Counties Women's Lacrosse Association
 Royal Lifesaving Society
 St John's Ambulance
 British Mountaineering Council
 Essex Metropolitan League
 British Orienteering Federation
 Hurlingham Polo Association
 Schools & Universities Polo Association

 National Rifle Association
 National Smallbore Rifle Association
 Surrey Rifle Association
 London & Middlesex Rifle Association
 Royal Yachting Association
 British Universities Sailing Association
 Shaolin Nam-Pai-Chuan
 Contact Singapore
 Central Table Tennis League
 Universities & Colleges Ten-pin Bowling Association
 London Volleyball Association
 English Volleyball Association

UNIVERSITY OF LONDON UNION

EXECUTIVE OFFICERS' REPORT Continued

Statement of the Union Finance Committee's responsibilities

The Finance Committee is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Union and of the income and expenditure of the Union for that period.

In preparing these financial statements, the committee is required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, and give details of any departures; and
- prepare the financial statements on a going concern basis unless the union will be unable to continue in business.

The Committee is also responsible for:

- keeping proper accounting records;
- safeguarding the union's assets; and
- taking reasonable steps for the prevention and detection of fraud.

Rob Park
Vice President (Finance Services and Operations)

Malet Street
London
WC1E 7HY

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
UNIVERSITY OF LONDON STUDENTS' UNION

We have audited the financial statements of the Union of London Union for the year ended 31st July, 2005, which comprised the Income and Expenditure account, Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Union's members as a body. Our audit work has been undertaken, so that we might state to the Union'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 Union and the Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE AND AUDITORS

As described in the Statement of Responsibilities of the Union Finance Committee, the Union Finance Committee is responsible for the preparation of the financial statements in accordance United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view. We also report to you if, in our opinion, the Executive Officers' Report is not consistent with financial statements, the union has not kept proper accounting records, and if we have not received all the information we require for our audit.

We read the Executive Officers' Report and consider the implications for our report if we become aware of any apparent mis-statements within it.

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the officers in the preparation of the financial statements and of whether the accounting policies are appropriate to the Union's 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 financial statements are free from material mis-statements, 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 financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the Union's affairs as at 31st July 2005 and of its deficit for the year then ended.

Knox Cropper
16 New Bridge Street
London, EC4V 6AX

Chartered Accountants
Registered Auditors

UNIVERSITY OF LONDON UNION
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST JULY, 2005

	Note	2005 £	2004 £
Income			
College subscriptions		982,083	952,730
Trading – net surplus	2	95,345	290,494
Conference room hire		170,109	294,775
Recreation	3	266,762	293,616
Other income	4	94,627	60,803
Franchise rental		134,366	133,004
Loss on disposal of tangible fixed assets		(462,072)	(1,832)
		<u>1,281,220</u>	<u>2,023,590</u>
Expenditure			
Student activities	5	444,804	487,542
General administration overheads	6	681,778	640,974
Premises costs	7	889,184	780,919
Depreciation	8	128,966	136,835
		<u>2,144,732</u>	<u>2,046,270</u>
Operating (deficit)		(863,512)	(22,680)
Transfers to specific reserves			
Transfers (to)/from Designated Funds		(2,261)	6,286
	15	<u>£865,773</u>	<u>£(16,394)</u>

None of the Union's activities were acquired or discontinued during the above two financial years.

All recognised gains and losses are disclosed in the Income and Expenditure Account.

UNIVERSITY OF LONDON UNION**BALANCE SHEET****AS AT 31ST JULY, 2005**

		2005		2004	
		£	£	£	£
Tangible fixed assets	9		2,521,853		3,272,130
Investments	10		10,472		10,472
Current assets					
Stock	11	110,524		83,036	
Debtors	12	189,632		210,482	
Short term deposits		1,093,263		1,198,126	
Cash and bank		29,535		51,085	
		<u>1,422,954</u>		<u>1,542,729</u>	
Creditors: falling due within one year	13	<u>(1,015,479)</u>		<u>(770,631)</u>	
Net current assets			<u>407,475</u>		<u>772,098</u>
Total assets less current liabilities			2,939,800		4,054,700
Creditors: falling due after more than one year	14		<u>(1,325,228)</u>		<u>(1,576,616)</u>
			<u>£1,614,572</u>		<u>£2,478,084</u>
Represented by					
Funds	15				
Capital fund			1,069,617		1,614,205
Designated maintenance funds			293,743		291,482
Accumulated fund			251,212		572,397
			<u>£1,614,572</u>		<u>£2,478,084</u>

The financial statements on pages 7 to 17 were approved by the Finance Committee on and signed on its behalf by:

.....

.....

UNIVERSITY OF LONDON UNION**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31ST JULY, 2005**

	Note	2005 £	2004 £
Operating (deficit)		(863,512)	(22,680)
Depreciation		551,847	513,387
Deferred capital grant		(205,689)	(205,962)
Loss on disposal of fixed assets		462,072	1,832
Investment income		(49,806)	(35,822)
		<u>(105,088)</u>	<u>250,755</u>
 (Increase)/Decrease in stock		 (27,488)	 3,231
Decrease in debtors		25,929	135,615
Increase/(Decrease) in creditors		244,848	(89,653)
Net cash inflow from operating activities		<u>138,201</u>	<u>299,948</u>
 Return on investments		 44,727	 35,822
 Capital expenditure			
Payments to acquire tangible fixed assets		(263,642)	(211,291)
Receipts from sale of tangible fixed assets		-	304
		<u>(80,714)</u>	<u>124,783</u>
 Management of liquid reserves		 104,863	 (220,425)
 Financing			
Increase in University of London loan		(45,699)	102,424
(Decrease)/Increase in cash		<u>£(21,550)</u>	<u>£6,782</u>
 Reconciliation of net cash flow to movement in funds			
(Decrease)/Increase in cash in the year	16	(21,550)	6,782
Cash flow from (decrease)/increase in liquid resources		(104,863)	220,425
Cash used to repay loan		45,699	(102,424)
Change in net funds		(80,714)	124,783
Net funds at 1 st August 2004		1,078,187	953,404
Net funds at 31st July 2005		<u>£997,473</u>	<u>£1,078,187</u>

UNIVERSITY OF LONDON UNION**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST JULY, 2005****1.ACCOUNTING POLICIES**

- (a) The accounts have been prepared under the historical cost convention and comply with applicable accounting policies.
- (b) All fixed assets, greater than £1,000 in value, are capitalised and depreciated on a straight line basis over their estimated useful economic lives.

The principal rates of straight line depreciation are as follows:

Building improvements	-	5-25%
Bar and shop fixtures and fittings	-	10-20%
Technical services equipment	-	25%
Boathouse equipment	-	33 1/3%
Sport and societies equipment	-	20 - 33 1/3%
Computer equipment	-	20 - 33 1/3%

Capital grants received are credited to deferred income and released to the Income and Expenditure Account at the same rate as the depreciation charge applicable to the assets to which the grants relate.

- (c) Stock is valued at the lower of cost and net realisable value. Stock is computed on a first in first out basis.
- (d) Deposit interest is accounted for an accruals basis.
- (e) Unexpended balances on sports council championship funds are carried forward in the accounts.
- (f) Funds:
 - (i) The capital fund represents fixed assets financed by the Union. Transfers are made to this fund from the accumulated fund to reflect additional fixed asset expenditure less depreciation for the years and the movement on deferred capital grants.
 - (ii) The sailing club estate, boathouse estate and ULU maintenance funds are designated funds to be expended on these respective activities.
 - (iii) The accumulated fund represented the balance of funds available to the union for its general purposes.

Insert page 9 excel spreadsheet

UNIVERSITY OF LONDON UNION**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31ST JULY, 2005**

3. RECREATION	2005	2004
	£	£
Energybase income	719,367	746,436
Vending	2,067	3,098
Shop	2,572	4,652
Total income	724,006	754,186
Salaries	(338,917)	(328,481)
Other costs	(118,327)	(131,971)
Start-up costs	-	(118)
	<u>£266,762</u>	<u>£293,616</u>
4. OTHER INCOME		
Associate and temporary membership	28,317	19,466
Miscellaneous	16,504	5,515
Investment income	49,806	35,822
	<u>£94,627</u>	<u>£60,803</u>
5. STUDENT ACTIVITIES		
Student representation and welfare		
Sabbatical salaries	103,225	87,749
Sabbatical expenses	16,158	6,807
Salaries	2,664	54,916
Training and research	-	473
Welfare and campaigns	5,335	5,148
Conferences and courses	6,709	8,590
Handbooks	(651)	6,209
London Student newspaper	35,324	34,410
Other expenses	9,071	12,004
A	<u>£177,835</u>	<u>£216,306</u>
Facilities costs		
Services charges for pitch hire	11,250	18,750
Other expenditure	(1,551)	(2,124)
Net facilities costs	<u>£9,699</u>	<u>£16,626</u>
B		

UNIVERSITY OF LONDON UNION**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31ST JULY, 2005**

5. STUDENT ACTIVITIES (continued)		2005	2004
		£	£
Sports clubs and other sports costs			
BUSA		35,126	31,135
General grants		35,270	35,104
Council		8,786	13,706
Facilities hire		26,830	34,694
Miscellaneous		57	213
		<u>106,069</u>	<u>114,852</u>
Sports salaries		67,875	97,286
	C	<u>£173,944</u>	<u>£212,138</u>
Societies and other societies costs			
Grant		13,337	12,021
Council		2,186	718
	D	<u>£15,523</u>	<u>£12,739</u>
Freshers Fayre	E	<u>£2,197</u>	<u>£(8,497)</u>
Minibus	F	<u>£12,994</u>	<u>£4,970</u>
Boathouse			
Electricity, gas, water, rates		12,695	7,497
Repairs and redecorations		14,943	2,304
Salaries		9,750	5,529
		<u>37,388</u>	<u>15,330</u>
Other costs/(income)		4,401	8,601
	G	<u>£41,789</u>	<u>£23,931</u>
Sailing club			
Electricity, gas, water, rates		3,577	2,753
Repairs and redecorations		233	3,376
		<u>3,810</u>	<u>6,129</u>
Other costs		7,013	3,200
	H	<u>£10,823</u>	<u>£9,329</u>
Grand total (sum of A to H)		<u>£444,804</u>	<u>£487,542</u>

UNIVERSITY OF LONDON UNION**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31ST JULY, 2005**

	2005	2004
	£	£
6. GENERAL ADMINISTRATION OVERHEADS		
Salaries	349,098	247,377
Printing, stationery, postage, advertising and photocopying	22,320	20,066
Audit	7,900	7,100
Miscellaneous	(1,272)	4,021
Insurance and professional fees	89,677	89,095
Marketing and publicity	5,876	48,409
Bad debts	(11,790)	7,192
Irrecoverable VAT	91,453	122,762
Recruitment	14,921	5,160
University administration charge	50,000	50,000
Training and other staff expenses	14,197	9,486
Computer maintenance and consumables	27,060	15,678
Loan interest and bank charges	22,338	14,628
	<u>£681,778</u>	<u>£640,974</u>
7. PREMISES COSTS		
Salaries	262,386	231,541
Redundancy costs	30,000	-
Building maintenance	200,223	185,936
Cleaning and refuse	175,955	147,889
Furniture and equipment	11,710	1,623
Electricity, gas and council tax	182,986	186,254
Telephone	27,004	16,105
Miscellaneous	(1,080)	11,571
	<u>£889,184</u>	<u>£780,919</u>
8. DEPRECIATION		
Charge for the year	551,847	513,387
Included in individual cost centres	(422,881)	(376,552)
	<u>£128,966</u>	<u>£136,835</u>

UNIVERSITY OF LONDON UNION**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31ST JULY, 2005**

10. INVESTMENTS	2005	2004
	£	£
At cost	<u>£10,472</u>	<u>£10,472</u>
11. STOCK		
Bar	17,270	16,945
Energybase	1,320	1,592
Catering	4,081	8,067
Paperwork	50,746	53,464
Sports	2,592	2,968
Village	6,858	-
Infusion	27,657	-
	<u>£110,524</u>	<u>£83,036</u>
12. DEBTORS		
Trade debtors	60,140	135,292
Prepayments and accrued income	129,492	75,190
	<u>£189,632</u>	<u>£210,482</u>
13. CREDITORS: amounts falling due within one year		
Loan (University of London)	45,700	45,700
Trade creditors	121,995	154,830
Deferred income	(6,082)	3,320
Other creditors and accruals	647,233	360,148
Deferred capital grants	206,633	206,633
	<u>£1,015,479</u>	<u>£770,631</u>
14. CREDITORS: amounts falling due after more than one year		
Loan (University of London)	79,625	125,324
Deferred capital grants	1,245,603	1,451,292
	<u>£1,325,228</u>	<u>£1,576,616</u>

The loan from the University of London is comprised of three separate loans originally in the sums of £157,000, £45,000 and £120,000. The loan of £157,000 is repayable in equal three monthly instalments over a ten year period with interest charged at 1.25% above the National Westminster Bank base rate. The loan of £45,000 is interest free and is repayable in equal three monthly instalments over a six year period. The loan of £120,000 is repayable in yearly instalments over a four-year period with interest charged at 0.5% above the National Westminster Bank base rate.

UNIVERSITY OF LONDON UNION**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31ST JULY, 2005****15. FUND MOVEMENTS**

	Capital fund	Designated maintenance funds	Accum. Fund	Total
At 1 st August 2004	1,614,205	291,482	572,397	2,478,084
Maintenance fund	-	-	-	-
Deficit for the year	-	-	(863,512)	(863,512)
Transfers between funds	(544,588)	2,261	542,327	-
At 31 st July 2005	<u>£1,069,617</u>	<u>£293,743</u>	<u>£251,212</u>	<u>£1,614,572</u>

Capital fund

	2005	2004
	£	£
Net book value of fixed assets	2,521,853	3,272,130
Capital grants received		
- current (note 13)	(206,633)	(206,633)
- long term (note 14)	(1,245,603)	(1,451,292)
	<u>£1,069,617</u>	<u>£1,614,205</u>

16. ANALYSIS OF CHANGES IN NET FUNDS

	31 July 2005	Cashflows	1 August 2004
	£	£	£
Cash at bank	29,535	(21,550)	51,085
Short term deposits	1,093,263	(104,863)	1,198,126
Debt due within one year	(45,700)	-	(45,700)
Debt due after one year	(79,625)	45,699	(125,324)
	<u>£997,473</u>	<u>£(80,714)</u>	<u>£1,078,187</u>

17. CAPITAL COMMITMENTS

	2005	2004
	£	£
At 31 st July 2005, the Union had capital commitments as follows:		
Contracted for but not provided in these accounts		
		<u>£97,000</u>