

UNIVERSITY OF LONDON UNION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST JULY, 2011

UNIVERSITY OF LONDON UNION

Trustees' Report

Year ended 31st July 2011

The University of London Union (ULU) Board of Trustees is pleased to present this annual report together with the financial statements for the year ending 31 July 2011.

This report includes the following sections:

- 1 Executive Summary
- 2 Reference and Administrative Information
- 3 Structure, Governance & Management
- 4 Objectives and Activities
- 5 Achievements and Performance
- 6 Financial Review
- 7 Investment Policy and Performance
- 8 Plans for Future Periods
- 9 Reserves Policy
- 10 Statement of Trustee Responsibilities
- 10 Responsibility of the University of London

1) Executive Summary

This is the fourth annual report and accounts published by the ULU Board of Trustees. The report of the Trustees is produced to fall into line with changing legislation with regard to Students' Unions and as a means of allowing our key stakeholders to gain a better understanding of ULU's activities, as well as to review our accounts.

Key Achievements

- A central theme surrounding sound management is the new charity legislation that encourages trustee boards to meet regularly to evaluate and question management. After the resignation of two external trustees early in the year, the appointments committee interviewed and recommended a new trustee, who was ratified by Senate during the year.
- The benefits to students have also been widespread this year. ULU's annual awards ceremonies Laurels and Purples were enjoyed by large numbers of students, with richly deserving winners across a wide range of member institutions. The Laurels annual ceremony has taken place in ULU for many years with a sit down three course meal followed by the awards ceremony. Laurels are bestowed on students for their notable service to the union and tend to be members of a society. The ceremony also includes awards of Honorary Life Memberships for outstanding and exceptional service to the union. There are also various awards recognising Societies and individual members with Shields as well as the Society of the year award.
- The annual Purples ball was held at ULU for the first time this year. This annual award ceremony recognises the outstanding students involved in Sports, as well the Sports Club of the year. Due to the success this year, it is very likely that we will continue to hold this event at ULU in the future. Another very positive year for ULU sports and societies. Full details of all the work done by the ULU sports department can be found in their annual report, available at the following website address: www.ulucollege.co.uk. Societies are continually reviewed to avoid duplication at college level.

2) Reference and Administrative Information

ULU was founded in 1955 and is a registered charity, number 1139315. The following section provides names and other details of the ULU Board of Trustees and professional advisors.

Principal Office: University of London Union, Malet Street, London, WC1E 7HY

Board of Trustees

The trustees serving during the year ending 31 July 2011 were as follows:

Sabbatical Officer Trustees

Clare Solomon, President, Board of Trustees Chair (elected 1 Aug 2010)

Viktoria Szmolar, Vice President Student Activities (elected 1 August 2010)

Student Trustees

Hannah Kelly – University of London Institute in Paris (elected 1 Aug 2010)

James Meadway - SOAS College (elected 1 Aug 2010)

Maham Hashmi– SOAS College (elected 1 Aug 2010)

100 Daniel Valentine – Kings College (elected 1 Aug 2010)

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Year ended 31st July 2011

External Trustees:

Darrell Barnes resigned December 2010

Jodi Ekelchik

Mike Owen resigned November 2010

Stuart DeBoos (appointed 2010)

Heads of Colleges Representative Trustees:

Mark Bery (appointed January 2011)

Staff/Non-Voting

Julie Adams, ULU General Manager

The trustees serving at the time these accounts were approved:

Sabbatical Officer Trustees:

Vratislav Domalip (appointed 1 August 2011)

Sean Rillo Rackza (appointed 1 August 2011)

Student Trustees :

James Meadway (appointed 1 August 2011)

Hannah Kelly (appointed 1 August 2011)

Abs Hassanali (appointed 1 August 2011)

Ross Spicer (appointed 1 August 2011)

External Trustees:

Jodi Ekelchik

Stuart DeBoos (appointed 2010)

Heads of College Representative Trustee:

Mark Bery

Advisors

Auditors: Knox Cropper, Chartered Accountants, 153-155 London Road, Hemel Hempstead, Herts. HP3 9SQ

Bankers: Barclays Bank PLC, United Kingdom House, 7th Floor, 180 Oxford Street, London.BX3 2BB

Within this document, the University of London Student Union will be referred to as the 'Union.'
The Board of Trustees will be referred to as the 'Trustees'.

3) Structure, Governance & Management

a Governance

The Union is governed by the Constitution of July 2010.

b Membership of the Union

University of London students studying for a degree are automatically entitled to become a member of the Union. The membership is the beneficiaries of the Union's activities.

c Organisation and Management

The Board of Trustees is responsible for the governance of the Union and its property. The Trustees meet at a minimum of six times during the year, and at other times as required.

Structure, Governance & Management (continued)

The Senate sets the political and policy agenda of the Union, campaigns on issues affecting members, makes recommendation to the Trustees and affiliates with external organizations. The Senate meets at a minimum five times during the year, and at other times as required.

Separately, sub-committees exist to promote the core activities of the Union. The Student Activities Committee will organise, promote, facilitate and regulate intercollegiate and Union organised student activities. Membership includes the Sabbatical Trustees, Chair of the Senate, and representatives of the Sports Committee, Societies Committee and the Intercollegiate Sports Committee. Approximately five meetings will be held during the year.

The Sabbatical Trustees establish a meeting calendar at the start of the new term year.

The day to day running of the Union is delegated to the ULU management team who work closely with the Sabbatical Trustees. ULU's General Manager will attend the Board of Trustee meetings, and invite others as required per the meeting agenda.

d Appointment and induction of trustees

Membership of the Board of Trustees includes the Sabbatical Trustees (not more than four, and elected by secret ballot of the members of the Union), student Trustees (not more than four, and elected by secret ballot of the members of the Union), External Trustees (not more than three appointed by the other Trustees and ratified by Senate), and one representative of College funders appointed by the Heads of Colleges. All Trustees must be full members of the Union or one of the appointed external Trustees.

Membership of the Senate will include the Sabbatical Trustees, elected representatives of the College Unions (one per college), Returning Officer and such other persons as may have been elected to Senate, *London Student* Editor (elected by secret ballot of members of the Union), and the Senate Chair (who will not count as a delegate from his or her college) as elected by members of the Union.

New Trustees and Senate appointees will be inducted into the workings of the Union at a suitable workshop scheduled towards the end of the appointed term. This induction is initiated by the current Sabbatical Trustees. Where necessary, the Board of Trustees will

Trustees' Report

Year ended 31st July 2011

engage the University and/or the NUS (National Students Union) in an induction workshop early in the new term year, and in strategic planning reviews.

e Review of Related Parties

The University of London Collegiate Council is the primary funder of the Union and engages from time to time in matters relating to the Union's funding; it also has the power to dissolve the Union, transfer its assets or liabilities, review its constitution, and ensure compliance with University ordinances.

Structure, Governance & Management (Continued)

f Networks and Affiliations

Amateur Football Alliance
Archery GB
British Council for Chinese Martial Arts
British Fencing
British Judo Association
British Mountaineering Council
British Rowing
British Sub Aqua Club
British Universities and Colleges Sport
British Universities Ice Hockey Association
British Universities Life Saving Clubs Association
British Universities Sailing Association
Canoe England
Coalition of Resistance
England Hockey
English Lacrosse
English Volleyball Association
Federation of English Karate Organisations
Inter-Varsity Dance Association
Jitsu Foundation
Middlesex County Archery Association
Middlesex Hockey Association
National Rifle Association
National Smallbore Rifle Association
National Union of Students
Royal Lifesaving Society
Royal Yachting Association
Schools and Universities Polo Association
Southern Universities Dance Association

Stop the War

Surrey Rifle Association

4) Objectives and Activities

The trustees confirm that they have referred to the guidance provided by the Charity Commission on public benefit when reviewing the Union's aims and objectives and in the planning of its future activities.

a Objects / Aims

Through good governance, the Union enhances the student experience and serves as a voice for University of London students.

The objects and aims are as follows:

The Union's objects are the advancement of education of Students at The University of London for the public benefit by:

1. promoting the interests and welfare of Students at The University of London during their course of study and representing, supporting and advising Students;
2. being the recognised representative channel between Students and The University of London and any other external bodies; and
3. providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its Students.

Objectivities and Activities (continued)

b Strategy

Following the consultation exercise during spring 2010 to review ULU's internal and external strategic position, a Strategic Framework was developed. Key areas for consideration over the next three years include:

- Competition from the High Street and other UL College Unions;
- Continuation of ULU's grant funded to run the student activities, London Student and two sabbatical posts, and the need to achieve annual surpluses.
- ULU's performance in the current lease of the ULU building through 31st July 2014.
- Opportunities to collaborate and share resources with NUS regarding representation and campaigns in London.
- Results from the Lord Brown review into Higher Education funding, and impact to UL and their Students' Unions.
- Enhance ULU's marketing activities, including the development of a state of the art website to engage more with University of London students. Opportunities to increase ULU revenue around conference facilities, catering and bar sales.

An important aim for ULU going forward is being aware and conscious of the expectations placed upon it by the Heads of Colleges and the University of London Trustee Board, and

reconciling this with the sometimes opposing expectations of the membership and from University of London Students' Unions. Student engagement and participation is integral to any future success of ULU, but the need to remain financially in the black is also a key factor for survival in the future. This balance needs to be met.

c Principal activities

Membership to the Union is free, and entitles students access to the building's facilities, as well as access to ULU networks, sports, clubs and societies. The building on Malet Street provides students access to the ULU Student Shop, Student Print Centre, the Lunchbox (providing quick access to food/drink), and other venues such as the Duck & Dive, and the Gallery for a drink and food, and to socialise with other Union members.

The building also operates Energybase, with state of the art fitness facilities and a swimming pool, which students are entitled to join on payment of a membership fee.

The University of London boasts over 120,000 students who are entitled to use the facilities

The London Student Newspaper provides a student voice and communication forum for all University of London students.

5) Achievements and Performance

- The following provides a summary of achievements this past year:
- ULU achieved charity registration on 10 December 2010.
- Launch of new website, enhancing the ability to communicate with members and enhance the student experience;
- Enhancements to *London Student* newspaper to facilitate dialogue among ULU members;
- Appointments Committee convened to recommend appointment of the Returning Officer to monitor ULU Elections, as well as the appointment of an additional External Trustee. These activities were in line with the University's requirements inviting candidates from a diverse background and experience.
- Increased representation following the rise in student tuition fees during UK-wide student campaign activities

6) Financial Review:

The Statement of Financial Activities (SOFA) discloses a net outflow of funds for the current year of £150k, compared to an inflow of £11k for the previous year.

Activities for generating funds

Conference

Conferencing is another great success this year. We have picked up some very good long term bookings, as well as some prestigious bookings repeated from last year. We have invested in this department over the year, putting in overhead projectors in the majority of the rooms and installing blackout blinds at the request of our long term customers, AIFS.

Rentals

Trustees' Report

Year ended 31st July 2011

The income is broadly to budget. The Nightline lease is still ongoing, due to delays and queries from the Nightline Trustees. However the income has been accrued for another year.

Sponsorship and Marketing

Advertising revenue increased in Marketing increased over the year, but the Freshers' Fayre stall revenue was reduced. This was due to BAM student marketing not selling the allocated number of stalls for the Fayre. A disappointing result, considering the Freshers' Fayre is our big event of the year. The lack of revenue was addressed with BAM after the Fayre.

Student Social Enterprise

Venues

Bars

Bars had a year- end result slightly under budget. The new contract with AEG replacing the old Barfly contract, did not really commence until March this year, therefore we have not had as many gigs as

we thought. However since March and going into the new academic year we are pleased to say that AEG are booking more gigs at the Venue and we hope that next year will be extremely successful.

Birkbeck Bar

Another good year in the George Bar with an outcome very similar to that of last year.

Catering

The Gallery continues to be extremely popular. We have recruited a new Head Chef this year and we are pleased to say that he has continued the excellent service with value for money for the students. The catering offer in the Duck and Dive Bar has changed this year, and this has led to an increase in revenue. We hosted the Teach First conference this July, which brought in a significant amount of additional revenue for Catering and Conference. The Board of Trustees agreed to utilise some of this additional income to replace the seating and tables in the Gallery, this was delivered ready for the start of term.

Lunchbox

Despite the end result being below budget, the turnover has increased by 4.5%. We have tried to keep the prices down in the same way the shop has. This meant our gross profit margin has reduced, hence the end surplus being less than budgeted for. This was a decision that was made for the benefit of the students.

Shops

Student Shop

The Shop has managed, despite the decision not to increase prices following on from the increase to 20% in VAT, to come in just over budget for the year. This has been achieved by keeping costs to a minimum with improved management of hours worked by staff.

Print Shop

Another successful year for the Print Shop. Although usage of the self service copier service has declined this year, we have more than covered this loss with printing from disk and Thesis binding.

Recreation Facilities

Energybase

Membership sales of Energybase are down on last year by 1%. The club continues to be extremely busy but we have been plagued with maintenance issues this year which has meant a large number of closures of the changing rooms and pool. We have ongoing issues with the Estates department of the University of London who are responsible for maintenance and we are continuing to push for this to be resolved as a matter of urgency.

Student Representation and Activities

Student Representation

Only the governance of ULU is funded by the Colleges now with a subvention payment of £768265K for the year. We have suffered a reduction due to HEFCE cuts. The subvention is ring fenced and funds Student Activities, Student Representation, London Student plus a contribution to the running costs of the swimming pool.

London Student

Exceeded budget by £11,715, and subsidised from ULU profits. BAM, the advertising agency, did not achieve as much income as needed to cover the print costs again and in January the Board of Trustees agreed that London Student should try and raise its own advertising revenue. This was fairly successful but as it only commenced half way through the print year, it is too early to judge the financial implications. We have put new systems in place for this year to ensure London Student achieves budget.

Student Activities

The clubs and societies have had another very successful year. The annual student activities report is now available and will be sent out to all Heads of Colleges and Student Unions. It will also be available on the website.

Support Costs

General Administration

We have saved money on the combined insurance premium through August to July 2011 as a credit note was received for part of the previous year. This was as a result of a change of dates for the policy. On recommendation from our auditors we have written off some items of capital that were still being depreciated past their useful lifetime, hence an increase in the depreciation cost this year.

Premises

Trustees' Report

Year ended 31st July 2011

Costs were over budget this year. The increases have been passed on under the University of London contract for electricity which increased more than budget together with an increase to the

water rates charges. We also have suffered increased costs for premises security due to extending the day guard to out of term time. Refuse collection costs were also higher than budgeted, although this was addressed part way through the year as we changed companies, thereby gaining a more competitive price for the service.

7) Investment Policy and Performance

The Trustees have established a policy whereby funds not committed to project activity or invested in tangible fixed assets should be invested at low risk whilst maintaining the best rate of return. This precludes investing in instruments such as equities and bonds which whilst offering the potential of higher return over a longer term also carry higher risks. The Union's available cash resources have been invested on fixed term deposits with Santander.

8) Plans for Future Periods

The Trustees will engage in discussions to develop a strategic plan to be reviewed on an annual basis going forward. Objectives will be defined, and these will be incorporated within the Union's planning and evaluation activities. The strategic plan will link in with other management tools developed over the past year, primarily the communications plan and organisational risk register.

9) Reserves Policy

At 31st July 2011, the unrestricted reserves of the charity stood at £1,527,611, £538,900 of which has been designated by the trustees. The balance of £988,711 represents reserves that can be spent at the trustees' discretion. The reserve levels are being considered as part of a strategic review. However, the current policy is to hold "free" reserves equivalent to between three and six months' unrestricted expenditure.

10) Statement of Trustees Responsibilities

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 1993, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

select suitable accounting policies and then apply them consistently;
observe the methods and principles in the Charity SORP;
make judgements and estimates that are reasonable and prudent;
prepare the financial statements on the going concern basis unless it is
inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

11) Responsibility of the University of London

The University, in the form of the Collegiate Council has the responsibility to ensure that the Union is following sound financial practice.

Signed for and on behalf of the Trustees on by:

Malet
Street
London
WC1E 7HY

.....
(Trustee)

.....
(Trustee)

Report of the independent auditors to the trustees of

UNIVERSITY OF LONDON UNION

Year ENDED 31ST July 2011

We have audited the financial statements of the University of London Union for the year ended 31 July 2011 on pages fifteen to twenty four. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2011 and of its incoming resources and application of resources 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 Charities Act 1993.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or

Report of the independent auditors to the trustees of

UNIVERSITY OF LONDON UNION

Year ENDED 31ST July 2011

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Knox Cropper
Chartered Accountants and Statutory Auditors
153 -155 London Road
Hemel Hempstead
Hertfordshire
HP3 9SQ

Date:

UNIVERSITY OF LONDON UNION

Statement of Financial Activities

Year ended 31st July 2011

	Notes	2011 Restricted £	2011 Unrestricted £	2011 Total £	2010 Total £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Grant income					
College grant		-	768,265	768,265	761,185
College contribution to premises		-	79,212	79,212	69,756
Activities for generating funds					
Conference room hire and rental income	2	-	626,535	626,535	549,945
Sponsorship and marketing income	2	-	52,918	52,918	46,748
Investment income					
Interest received		-	21,350	21,350	18,062
		-	1,548,280	1,548,280	1,445,696
Incoming resources from charitable activities					
Student representation	4(a)	-	18,661	18,661	14,038
Student activity	4(b)	88,399	-	88,399	91,802
Student social enterprises					
Venues	3(a)	-	1,816,704	1,816,704	1,535,543
Shops	3(b)	-	497,423	497,423	563,491
Recreation facilities	3(c)	-	845,463	845,463	848,597
		88,399	3,178,251	3,266,650	3,053,471
Other income					
Associate and temporary memberships		-	31,855	31,855	45,126
Miscellaneous income		-	1,361	1,361	3,807
		-	33,216	33,216	48,933
Total income		88,399	4,759,747	4,848,146	4,548,100
RESOURCES EXPENDED					
Cost of generating funds					
Conference room hire and rental expenditure		-	406,162	406,162	349,359
Fund raising and marketing costs		-	43,686	43,686	40,921
		-	449,848	449,848	390,280
Charitable activities					
Student representation	4(a)	-	76,388	76,388	65,637
Student activity	4(b)	77,892	476,625	554,517	595,793
Student social enterprises					
Venues	3(a)	6,981	2,150,114	2,157,095	1,774,255
Shops	3(b)	6,981	910,019	917,000	883,059
Recreation facilities	3(c)	199,380	601,088	800,468	790,237
		291,234	4,214,234	4,505,468	4,108,981
Governance	5	-	43,028	43,028	37,975
Total expenditure		291,234	4,707,110	4,998,344	4,537,236
Net movement in funds		(202,835)	52,637	(150,198)	10,864
Reconciliation of funds					
Funds 1st August 2010		558,109	1,474,974	2,033,083	2,022,219
Funds at 31st July 2011		355,274	1,527,611	1,882,885	2,033,083

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Balance Sheet

Year ended 31st July 2011

		2011		2010	
	Notes	£	£	£	£
Tangible fixed assets	8		622,270		996,220
Investment	9		10,472		10,472
Current assets					
Stock	10	75,727		70,849	
Debtors	11	254,747		127,352	
Short term deposits		1,547,349		1,552,662	
Cash and bank		31,763		-	
		<u>1,909,586</u>		<u>1,750,863</u>	
Creditors: falling due within one year	12	<u>(659,443)</u>		<u>(724,472)</u>	
Net current assets			<u>1,250,143</u>		<u>1,026,391</u>
Total assets less current liabilities			1,882,885		2,033,083
Creditors: falling due after more than one year			-		-
			<u>1,882,885</u>		<u>2,033,083</u>
Funds					
Unrestricted funds	13		988,711		756,289
Designated funds	13		538,900		718,685
Restricted funds	13		355,274		558,109
			<u>1,882,885</u>		<u>2,033,083</u>

The financial statements on pages 14 to 22 were approved by Board of Trustees on

2011 and signed on its behalf by

Trustee

UNIVERSITY OF LONDON UNION

Cash Flow Statement

Year ended 31st July 2011

	Notes	2011 Total £	2010 Total £
Operating (Deficit) / surplus		(150,198)	10,864
Depreciation		390,882	323,607
Loss on disposal of asset		-	-
Investment income		(21,350)	(18,062)
		<u>219,334</u>	<u>316,409</u>
(Increase) in stock		(4,878)	(4,834)
(Increase) / decrease in debtors		(127,395)	105,366
(Decrease) in creditors		(33,574)	(80,207)
Net cash inflow from operating activities		<u>53,487</u>	<u>336,734</u>
Return on investments		21,350	18,062
Capital expenditure			
Payments to acquire tangible fixed assets		(16,932)	(251,636)
		<u>57,905</u>	<u>103,160</u>
Management of liquid reserves		5,313	(158,044)
Increase / (decrease) in cash		<u>63,218</u>	<u>(54,884)</u>
Reconciliation of net cash flow to movement in funds	15		
Increase / (decrease) in cash in the year		63,218	(54,884)
Cash flow from (Decrease) / increase in liquid resources		(5,313)	158,044
Cash used to repay loan		-	-
Change in net funds		<u>57,905</u>	<u>103,160</u>
Net funds at 1st August 2010		<u>1,521,207</u>	<u>1,418,047</u>
Net funds at 31st July 2011		<u>1,579,112</u>	<u>1,521,207</u>

Notes to the accounts

Year ended 31st July 2011

1 Accounting policies

(a) Accounting convention

The accounts are prepared under the historical cost convention.

(b) Fixed assets and depreciation

Expenditure on major repairs and refurbishment work is capitalised and depreciation over its estimated useful life.

Equipment is capitalised and depreciated over the estimated lives of the assets. Full year depreciation is provided in the year of purchase. The rates of depreciation currently used are as follows:

Property improvements	2% - 20%
Fixtures and equipment	10% - 25%

(c) Investments

Investments are valued at cost.

(d) Stocks

Stocks are valued at the lower of cost and net realisable value.

(e) Pension schemes

The Union participates in the Universities Superannuation Scheme (USS), and the Superannuation Arrangements of the University of London (SAUL), which are funded defined benefit schemes. The schemes are contracted out of the State Second Pension (S2P). The schemes are valued formally every three years by professionally qualified independent actuaries using the projected unit method. Reviews of the schemes' position are carried out in the period between valuations. The Union has adopted Financial Reporting Standard No.17. As it is not possible to identify the underlying assets and liabilities of the schemes, the charge to Statement of Financial Activities is the contributions payable to the schemes for the accounting period, which is the same as it would be if these were defined contribution schemes.

(f) Governance costs

Governance costs comprise strategic planning and organisational costs including legal advice and audit fees

(g) Funds

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and that have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the trustees for particular purposes. At the year-end they comprise a capital fund and a maintenance fund, which represents the net book value of unrestricted fixed assets and the cyclical repairs and maintenance of the Charity's properties respectively.

Restricted funds are funds subject to special conditions imposed by the grant giving organisation. Restricted funds comprise the building fund, which represents grants given to refurbish the charity's premises, and the sports and societies fund, which represents funds raised by the individual clubs and societies for their own use.

UNIVERSITY OF LONDON UNION

Notes to the accounts

Year ended 31st July 2011

2 Activities for generating funds

Conference room hire and rental income

Franchise rental
Conference income

2011 Total

£
72,006
554,529
626,535

2010 Total

£
72,033
477,912
549,945

Sponsorship and marketing income

Marketing and publicity
Freshers fayre

34,994
17,924
52,918

26,905
19,843
46,748

3 Student social enterprise

(a) Venues

	Bars	Catering	Other	2011 Total	2010 Total
	£	£	£	£	£
Sales	740,152	463,002	613,550	1,816,704	1,485,543
Other income - restricted	-	-	-	-	50,000
	<u>740,152</u>	<u>463,002</u>	<u>613,550</u>	<u>1,816,704</u>	<u>1,535,543</u>
<i>Direct costs:</i>					
Cost of sales	285,318	168,472	334,780	788,570	631,269
<i>Other direct costs:</i>					
Salaries and wages	251,707	206,498	108,350	566,555	491,033
Other costs	125,191	40,075	24,905	190,171	103,235
Other costs - restricted	-	-	6,981	6,981	6,674
	<u>662,216</u>	<u>415,045</u>	<u>475,016</u>		
	<u>77,936</u>	<u>47,957</u>	<u>138,534</u>		
<i>Support costs</i>					
Administration				206,238	192,097
Premises				398,580	349,947
				<u>2,157,095</u>	<u>1,774,255</u>
Net deficit for the year				<u>(340,391)</u>	<u>(238,712)</u>

(b) Shops

	Retail Outlets	2011 Total	2010 Total
	£	£	£
Sales	497,423	497,423	513,491
Other income - restricted	-	-	50,000
	<u>497,423</u>	<u>497,423</u>	<u>563,491</u>
<i>Direct costs:</i>			
Cost of sales	257,852	257,852	245,345
<i>Other direct costs:</i>			
Salaries and wages	108,494	108,494	118,283
Other costs	10,733	10,733	32,427
Other costs - restricted	6,981	6,981	7,396
Profit share	-	-	357
	<u>384,060</u>		
	<u>113,363</u>		
<i>Support costs</i>			
Administration		212,131	197,586
Premises		320,809	281,665
		<u>917,000</u>	<u>883,059</u>
Net deficit for the year		<u>(419,577)</u>	<u>(369,568)</u>

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Notes to the accounts

Year ended 31st July 2011

3 Student social enterprise (continued)

(c) Recreation facilities

	2011 Restricted £	2011 Unrestricted £	2011 Total £	2010 Total £
Sales	-	845,463	845,463	848,597
<i>Other direct costs:</i>				
Salaries and wages	-	247,566	247,566	230,404
Other costs	199,380	147,303	346,683	363,799
<i>Support costs</i>				
Administration	-	94,280	94,280	87,816
Premises	-	111,939	111,939	108,218
	199,380	601,088	800,468	790,237
Net (deficit)/surplus for the year	(199,380)	244,375	44,995	58,360

4 Student representation and activities

	2011 £	2010 £
(a) Student representation		
Advertising for London Student Newspaper	18,661	14,038
<i>Other direct costs:</i>		
Salaries and wages	24,797	19,317
Other costs	32,990	30,323
<i>Support costs</i>		
Administration	11,460	9,483
Premises	7,141	6,514
	76,388	65,637
Net deficit for the year	(57,727)	(51,599)
(b) Student activities		
Sports and societies income	88,399	91,802
Sports and societies expenditure	77,892	81,110
Facilities cost	11,306	22,018
Sports and student development	282,452	311,217
Boathouse	20,484	20,131
Welfare and campaigns	5,284	1,871
	-	-
<i>Support costs</i>		
Administration	28,278	35,674
Premises	128,821	123,772
	554,517	595,793

5 Governance

	2011 £	2010 £
Audit fees	11,000	10,000
Elections	6,692	5,416
Welfare and campaigns		
<i>Support costs</i>		
Administration	5,893	5,488
Premises	19,443	17,071
	43,028	37,975

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Notes to the accounts

Year ended 31st July 2011

6	Support costs	2011	2010
	General Administration	£	£
	Salaries	216,865	189,680
	Printing, stationery, postage, advertising and photocopying	17,734	19,391
	Miscellaneous	445	1,085
	Insurance	27,922	61,453
	Bad debts	(700)	(141)
	Irrecoverable VAT	88,341	103,966
	University administration charge	50,000	50,004
	Training and other staff expenses	6,894	24,975
	Computer maintenance and consumables	58,475	58,806
	Loan interest and bank charges	11,993	11,353
	Legal fees	9,802	7,650
	Other expenses	295	1,085
	Depreciation	140,924	64,699
		<u>628,990</u>	<u>594,006</u>
	Premises costs		
	Salaries	219,148	205,285
	Building maintenance	528,303	405,941
	Cleaning and refuse	189,239	192,193
	Furniture and equipment	4,197	4,271
	Electricity, gas and council tax	271,649	275,215
	Telephone	7,029	7,290
	Other expenses	483	1,838
		<u>1,220,048</u>	<u>1,092,033</u>
	Total support costs	<u>1,849,038</u>	<u>1,686,039</u>
	Administration apportioned as follows:	%	
	Conference room hire and rental expenditure	11.2%	70,710
	Student representation	1.8%	11,460
	Student activity	4.5%	28,278
	<i>Student social enterprises</i>		
	Venues	32.8%	206,238
	Shops	33.7%	212,131
	Recreation facilities	15.0%	94,280
	Governance	0.9%	5,893
		<u>100.0%</u>	<u>628,990</u>
			<u>594,006</u>

Administration support costs have been apportioned based on the estimate of time spent by staff on the various activities.

	Premises apportioned as follows:	%	
	Conference room hire and rental expenditure	19.1%	233,315
	Student representation	0.6%	7,141
	Student activity	10.6%	128,821
	<i>Student social enterprises</i>		
	Venues	32.7%	398,580
	Shops	26.3%	320,809
	Recreation facilities	9.1%	111,939
	Governance	1.6%	19,443
		<u>100.0%</u>	<u>1,220,048</u>
			<u>1,092,034</u>

Premises support costs have been apportioned based on floor area.

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Notes to the accounts

Year ended 31st July 2011

7 Net movement in funds

	2011	2010
	£	£
Net movement in funds is arrived at after charging:		
Depreciation	390,882	323,607
Audit fee	11,000	10,000

8 Fixed assets

	Property Improvement	Furniture & Equipment	Total
	£	£	£
Cost			
At 1st August 2010	4,625,157	1,482,414	6,107,571
Additions	980	15,952	16,932
Disposals	389,464	435,990	825,454
At 31st July 2011	4,236,673	1,062,376	5,299,049
Depreciation			
At 1st August 2010	3,674,543	1,436,808	5,111,351
Charge for year	377,630	13,252	390,882
Disposals	389,464	435,990	825,454
At 31st July 2011	3,662,709	1,014,070	4,676,779
Net book value			
At 31st July 2011	573,964	48,306	622,270
At 31st July 2010	950,614	45,606	996,220

9 Investments

	2011	2010
	£	£
At cost	10,472	10,472

10 Stock

	2011	2010
	£	£
Bar	4,727	4,173
Birbeck	1,398	1,280
Energybase	787	419
Catering	11,209	13,498
Paperwork	54,484	46,243
Sports	3,122	5,236
	75,727	70,849

11 Debtors

	2011	2010
	£	£
Trade debtors	188,469	90,259
Prepayments and accrued income	66,278	37,093
	254,747	127,352

12 Creditors: amounts falling due within one year

	2011	2010
	£	£
Trade creditors	194,422	120,036
Deferred income	3,843	10,037
Bank loans and overdrafts	-	31,455
Other creditors and accruals	461,178	562,944
	659,443	724,472

UNIVERSITY OF LONDON UNION

Notes to the accounts

Year ended 31st July 2011

13	Fund movements	At 1st Aug 2010	Surplus/(Deficit) for the year	Transfers	At 31st July 2011
		£	£	£	£
	Unrestricted funds				
	Accumulated	756,289	52,637	179,785	988,711
	Designated funds				
	Capital fund	501,185	-	(160,608)	340,577
	Maintenance fund	217,500	-	(19,177)	198,323
	Restricted funds				
	Building fund	495,035	(213,342)	-	281,693
	Sports and societies fund	63,074	10,507	-	73,581
		<u>2,033,083</u>	<u>(150,198)</u>	<u>-</u>	<u>1,882,885</u>

Capital fund represents the NBV of assets financed from unrestricted funds

Maintenance fund represents funds set aside to meet future maintenance requirements

14	Analysis of net assets between funds	Restricted funds	Unrestricted funds	2011 Total
		£	£	£
	Tangible fixed assets	281,693	340,577	622,270
	Investments	-	10,472	10,472
	Current assets	73,581	1,836,005	1,909,586
	Current liabilities	-	(659,443)	(659,443)
	Total net assets	<u>355,274</u>	<u>1,527,611</u>	<u>1,882,885</u>

15	Analysis of changes in net funds	At 1st Aug 2010	Transfers	At 31st July 2011
		£	£	£
	Cash at bank	(31,455)	63,218	31,763
	Short term deposits	1,552,662	(5,313)	1,547,349
		<u>1,521,207</u>	<u>57,905</u>	<u>1,579,112</u>

a) Universities Superannuation Scheme (USS)

The company participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administrated fund.

The latest actuarial valuation of the scheme was at 31 March 2008. This was the first valuation for USS under then new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions.

At the valuation date, the value of the assets of the scheme was £28,842.6 million and the value of the scheme's technical provisions was £28,135.3 million indicating a surplus of £707.3 million. The assets therefore were sufficient to cover 103% of the benefits, which had accrued to members after allowing for expected future increases in earnings.

Since 31 March 2008 global investment markets have continued to fluctuate and at 31 March 2011 the actuary has estimated that the funding level under the new scheme specific funding regime had fallen from 103% to 98% (a deficit of circa £700 million). Compared to the previous 12 months, the funding level has improved from 91% (as at 31st March 2010) to 98%.

The institution contribution rate was 16% of pensionable salaries.

The next formal triennial actuarial valuation is due as at 31 March 2011. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

The total pension cost for the company was £69,329. The contribution rate payable by the company was 16% of pensionable.

b) Superannuation Arrangements of the University of London (SAUL)

The company participates in a centralised defined benefit scheme for all qualified employees with the assets held in separate Trustee-administered funds.

The scheme is subject to triennial valuation by professionally qualified and independent actuaries. The last available valuation was carried out as at 31st March 2008. The market value of the scheme's assets was £1,266 million representing 100% of the liability for benefits after allowing for expected future increases in salaries.

Based on the strength of the Employer covenant and Trustee's long-term investment strategy, the Trustee and Employers agreed to maintain Employer and Member contributions at 13% of salaries and 6% of salaries respectively following the valuation.

A comparison of SAUL's assets and liabilities calculated using assumptions consistent with FRS17 revealed SAUL to be in surplus at the last formal valuation date (31st March 2008).

The next formal actuarial valuation is due at 31st March 2011 when the above rates will be reviewed.

The total pension cost for the company was £16,904. The contribution rate payable by the company was 13% of pensionable salaries.