

University of Strathclyde Students' Association

Report and Financial Statements

Year Ended

31 July 2009

Registered Charity Number SCO05914

University of Strathclyde Students' Association

Annual report and financial statements for the year ended 31 July 2009

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University of Strathclyde Students' Association

Executive Committee and Association Information

Executive (1 July 2009 - 30 June 2010)

President	- Philip Whyte
Deputy President	- Amy Davies
V. P. Support & Campaigns	- Kelley Temple
V. P. Operational & Commercial Services	- Ian Pullar
V. P. Student Development	- Gill Currah
Sports President	- Phil Gallagher
Academic Affairs Officer	- Emma Gillan
Equal Opportunities Officer	- Nazia Iqbal
Clubs & Societies Convenor	- Chris Majury
Student Media & Marketing Officer	- Rob Harris
Jordanhill Officer	- Philippa Summers
Postgraduate Officer	- Vacant
Past President	- Neil Campbell

Executive (1 July 2008 - 30 June 2009)

President	- Neil Campbell
Deputy President	- Nicole McCaffery
V. P. Support & Campaigns	- Martin Law
V. P. Operational & Commercial Services	- Phillip Wilson
V. P. Student Development	- Benedict Docherty
Academic Affairs Officer	- Iain Delworth (resigned 13 October 2008)
	- Chris Majury (elected 17 November 2008)
Equal Opportunities Officer	- David McDonald
Clubs & Societies Convenor	- Claire-Marie Loudon
Student Media & Marketing Officer	- Craig McAulay
Jordanhill Officer	- Leigh-Anne Fyfe
Postgraduate Officer	- Efehi Uebebe
Past President	- Gurjit Singh

Management Staff

General Manger	- John McCusker
Member Services Manager	- Ian McCartney
Commercial Services Manager	- Tony Polden

Auditors

BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

Bankers

National Westminster Bank, 14 Blythswood Square, Glasgow, G2 4AQ

Principal Address

90 John Street, Glasgow, G1 1JH

The Executive have the pleasure in submitting their report and audited financial statements for the year ended 31 July 2009. The financial statements comply with the Statement of Recommended Practice (SORP) - Accounting and Reporting by Charities as revised in 2005, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006.

Structure, Objectives, Governance and Management

University of Strathclyde Students' Association ("the Association") is constituted under the charter of Strathclyde University. The activities of the Association are governed by its constitution and by-laws. Those elected by ordinary members to the Student Representative Council (SRC), subject to the Constitution and Schedules of the Association, shall represent the Association in all matters affecting its interest and shall administer the finances of the Association.

The policies as laid down in section 4 of the Association's constitution are to achieve the following objectives:

1. The promotion of the general interests of the students and to provide suitable services and amenities for that student body.
2. The running of facilities as club premises for the members of the Association.
3. The provision of a recognised channel of communication between the body of students and the University, other universities, colleges and the public.
4. To represent and advance publicly the views and aspirations of its members towards society in general, whether independently, or in association with organisations with similar views.

The Association general meeting is the most powerful decision making body within the Association. Policy made at an AGM cannot be overturned by a meeting of the SRC or the Executive Committee. Any student can submit a motion to an AGM. As SRC and AGMs cannot meet all the time, an Executive Committee is elected to carry out business on behalf of the student membership, make sure policy decisions are implemented and make decisions on behalf of SRC when it can not meet. The Executive are elected directly by the student body in February each year. The Executive is comprised of six sabbatical full-time (paid) officers and seven part-time (unpaid) student representatives, all of whom have different remits. All full-time students can stand for the Executive so there is every opportunity to get involved. Once elected a programme of training activities is done to enhance management and administrative abilities.

Responsibility for day to day matters is delegated to the full time staff, within a clearly understood framework of strategic control.

Connected bodies

The Association has no formal links or associations with other charitable bodies but works in partnership with other Student Unions and the National Union of Students to promote issues important to students and the wider community. The Association maintains close links with the University. Details of related party transactions are given in note 17.

Risk Management

The Executive have assessed the major risks to which the Association is exposed, in particular those related to the operations and finances of the Association, and are satisfied that systems are in place to mitigate our exposure to risk.

Review of activities and achievements

The financial year ending the 31st July 2009 was a successful one for the Association. We can report an overall surplus of £125,099 against an equivalent of £35,937 in 2008. This is an achievement in itself but more so when we take into account the depressed trading conditions of the last financial year and the impact this has had specifically on the hospitality market and the economy in general.

The Association obtained an increase in the grant funding from the University of around 3.38% attracting grant income of £1,373,316 against the previous years £1,328,372. In addition, despite the current economic climate our commercial activity alone reported an increase in income levels of £1,711,871 from £1,894,052 in 2008.

In what was undoubtedly a tight financial year for many organisations, and in light of decreasing commercial revenues across the sector, these results were not only extremely positive and encouraging, they also allowed USSA to embark on a number of capital expenditure projects; reinvesting money back into our students, premises and services.

In total, it was decided to undertake 5 major projects - with there also being a number of smaller, additional, projects - which included:

1. A complete overhaul of our existing security alarm system to an up to date and fully functioning system.
2. A comprehensive roll out of new computers to all Association premises and users, ensuring we matched current updates in information technology, and providing a modern system for all users, including students.
3. A redesign of our "Lounge" space on level 5; this was updated to provide new IT facilities, and areas for personal and group study, as well as social interaction. This area also houses our welfare services.
4. A redesign of our Student Involvement Zone, on level 7, which was undertaken to provide our volunteers and interested students a more flexible and informal working space, encouraging shared ownership.
5. Refurbishment of our Priory Bar on level 6, which was undertaken to attempt to reverse a noticeable decline in its commercial trade. The space has been opened up, soft seating introduced, repainted and decorated to create a more relaxed environment. Moreover, we took the decision to launch a food menu in the bar, thereby increasing our sales capabilities.

These projects were all undertaken with reasoning that in order to remain competitive in the market, and attractive to our members, the building is in constant need of investment and improvement.

In the year 08/09 the future of USSA was cast into doubt by Estates Development plans by the university to incorporate all student services, including USSA, into a single location on the corner of campus, thereby reducing our autonomy and visibility. As part of this, USSA was tasked, in a very short time frame, to formulate and write a comprehensive business case on the need for a distinct USSA building. This was done with full staff and officer engagement, and highlighted all that we do (representative, welfare and commercial) and the attraction of this to students. As a result of the plan and discussion with senior university figures we are confident that USSA will achieve a stand alone and autonomous building, with adequate resources and services similar to the ones we currently operate. However, this is a long term plan, therefore requiring significant investment in the short term to our current premises.

Of all the projects the Association has undertaken, perhaps the most tasking in terms of engagement and man hours has been our two year Governance Review. As required by the Education Act 1994, and with the underlying that our current governance structures are outdated and at times cumbersome, it was decided to undertake a root and branch review of governance with a view to comprehensively changing our structures. A revised model of governance was put to the student body in March 2009, which saw successful passage, and the subsequent time has been spent adding the detail. We are hopeful that the new model, due to take effect from academic year 2010/11 will provide the Association with a structure which is more accessible to students and widens the appeal of our democratic functions.

Furthermore, the successful passage of the new governance model has meant that we have decided that now is a key time to review two of our key departments - Commercial Services and Engagement and Support. We have long recognised that nationally commercial revenue within Students' Associations has been declining, and that whilst for many years USSA had been able to buck this trend, we would succumb at some point. Therefore, we have committed ourselves to reviewing the department and ensuring that it is as efficient and effective as possible, enhancing the student experience whilst simultaneously attempting to stem any negative trends, and maximise revenue; all of which is reinvested in our membership.

On the Engagement and Support side, we are committed to investing heavily in our staff support, and looking to build up the department. The creation of new officer positions through the governance review has meant that we have new and exciting areas of work to examine, and realise that the elected officers need a breadth of expert and enthusiastic staff to complement them; a realisation that we are hopeful can be played out thanks to the encouraging numbers at year end.

The priority of the executive committee this year is that of a renewed engagement with our membership on core issues; that we are truly operating for and on behalf of them. We are committed to enhancing the student experience, shaping the local and national agenda, and working to ensure the highest academic standards for all. As stated previously, we depend on a commercial surplus for membership benefit, as we reinvest all profits made. Therefore, we acknowledge that in order to achieve these goals, we require a strong and active commercial department. We are confident that the numbers for 08/09 provide a steady foundation on which to build, and that successes will be capitalised on into 09/10.

Reserves policy and risk management

The Association has a range of restricted and unrestricted reserves. The restricted reserves relate to funds awarded to the Association to be applied for specific purposes as set out in Note 14 to the financial statements. The unrestricted reserves represent the free reserves of the Association. The executive wish to build these reserves to a position where they cover four months resources expended in order to cover fluctuations in funding and costs.

Statement of Executives' Responsibilities

The Executive 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 Association and of the surplus or deficit for that year.

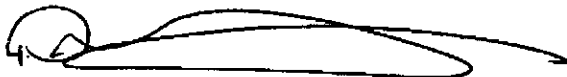
In preparing the financial statements the Executive Committee is required to select suitable accounting policies, as described on pages 11 to 12, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Executive Committee must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue to operate.

The Executive Committee is responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the Association and to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

BDO LLP were appointed as auditors during the year and have indicated their willingness to continue in office. A resolution proposing their reappointment will be put to the Annual General Meeting.

On behalf of the Executive



Philip Whyte
USSA President 2009/10

11 November 2009

University of Strathclyde Students' Association

Independent auditor's report

Independent auditors' report to the trustees of University of Strathclyde Students' Association

This report is issued in respect of an audit carried out under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

We have audited the financial statements of University of Strathclyde Students' Association for the year ended 31 July 2009 which comprise the Statement of Financial Activities, the Income & Expenditure account, the Balance Sheet, the Cashflow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective Responsibilities of trustees and auditors:

The trustee's responsibilities for preparing the Report of the Executive and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Executives' Responsibilities.

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

We also report to you if, in our opinion, the information given in the President's Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if the charity's financial statements are not in agreement with these accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Report of the Executive and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any purpose and we hereby expressly disclaim any and all such liability.

Basis of Opinion:

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 misstatement, 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.

University of Strathclyde Students' Association

Independent auditor's report (Continued)

Opinion:

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31 July 2009, and of its incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BDO LLP

BDO LLP

Chartered Accountants and Statutory Auditors

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Glasgow

11 November 2009

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

University of Strathclyde Students' Association

Statement of Financial Activities for the year ended 31 July 2009

	Note	Unrestricted funds 2009 £	Restricted funds 2009 £	Total funds 2009 £	Total funds 2008 As restated £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Grant from University		1,373,316	-	1,373,316	1,328,372
Commercial and other services	2	1,711,871	-	1,711,871	1,694,052
Association general and marketing		123,463	-	123,463	199,466
Investment income	3	24,088	-	24,088	45,479
<i>Incoming resources from charitable activities</i>					
Membership and welfare services		6,513	-	6,513	-
Sports Union and Clubs		-	97,265	97,265	47,987
Total Incoming resources		3,239,251	97,265	3,336,516	3,315,356
Resources expended					
<i>Costs of generating funds</i>					
Commercial trading costs	4	1,927,590	-	1,927,590	1,592,659
Costs of generating other income	4	459,461	-	459,461	441,751
<i>Charitable activities</i>					
Membership and welfare services	4	574,233	-	574,233	1,112,588
Sports Union and Clubs	4	-	242,333	242,333	125,921
Governance costs	4	7,800	-	7,800	6,500
		2,969,084	242,333	3,211,417	3,279,419
Net incoming/ (outgoing) resources before transfers		270,167	(145,068)	125,099	35,937
Transfers between funds	13, 14	(95,292)	95,292	-	-
Net incoming/ (outgoing) resources after transfers		174,875	(49,776)	125,099	35,937
Fund balance brought forward at 1 August 2008		560,935	108,657	669,592	633,655
Fund balance carried forward at 31 July 2009		735,810	58,881	794,691	669,592

The Statement of Financial Activities includes all recognised gains and losses in both the current and prior year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 11 to 21 form part of these financial statements.

University of Strathclyde Students' Association

Income and expenditure account for the year ended 31 July 2009

	Note	Unrestricted Funds	Restricted Funds	Total 2009	Total 2008 As restated
		£	£	£	£
Income					
Grant from University		1,373,316	-	1,373,316 ✓	1,328,372
Commercial and other services	2	1,711,871	-	1,711,871 ✓	1,694,052
Conferences		-	-	-	71,337
Association general		106,906	-	106,906 ✓	109,065
Communications		16,557	-	16,557 ✓	15,330
		123,463	-	123,463	195,732
Membership Services		214	-	214 ✓	2,288
Ask		-	-	-	206
Democratic Services		449	-	449 ✓	260
Facilities		100	-	100 ✓	1,000
SRC departments		5,750	-	5,750 ✓	-
		6,513	-	6,513	3,734
Interest received	3	24,088	-	24,088 ✓	45,479
Sports Union		-	56,970	56,970 ✓	47,187
Clubs & Societies		-	40,295	40,295 ✓	800
		-	97,265	97,265	47,987
Total income		3,239,251	97,265	3,336,516	3,315,356
Expenditure					
Costs directly allocated to activities					
Commercial and other services		1,593,344	-	1,593,344 ✓	1,592,659
Conferences		-	-	-	55,742
Association general		262,208	-	262,208 ✓	255,786
Communications		119,284	-	119,284 ✓	130,223
		381,470	-	381,470	441,751
Membership services		155,204	-	155,204 ✓	139,904
Ask		73,413	-	73,413 ✓	66,285
Democratic Services		100,796	-	100,796 ✓	85,469
Sabbaticals		107,341	-	107,341 ✓	107,609
SRC departments		37,205	-	37,205 ✓	17,916
		473,959	-	473,959	417,183
Sports Union		-	141,717	141,717 ✓	115,959
Clubs & societies		-	56,050	56,050 ✓	9,962
		-	197,767	197,767	125,921
Support costs					
Finance		131,671	10,771	142,442 ✓	176,605
Information technology		71,448	6,213	77,661 ✓	72,082
Personnel		55,849	4,856	60,705 ✓	61,538
Facilities Management		261,343	22,726	284,069 ✓	317,302
Staff Restructure Costs		-	-	-	74,378
		520,311	44,566	564,877	701,905
Total expenditure		2,969,084	242,333	3,211,417	3,279,419
Surplus/(deficit) on activities		270,167	(145,068)	125,099	35,937
Transfers between funds		(95,292)	95,292	-	-
Surplus/(deficit) after transfers		174,875	(49,776)	125,099	35,937
Funds brought forward		560,935	108,857	669,592	633,855
Fund carried forward		735,810	58,881	794,691	669,592

All incoming resources and resources expended derive from continuing activities.

The Income and Expenditure account includes all recognised gains and losses in the current and prior year.

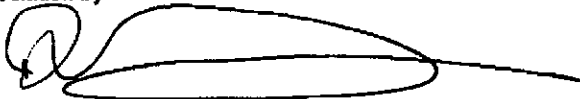
The notes on pages 11 to 21 form part of these financial statements.

University of Strathclyde Students' Association

Balance sheet as at 31 July 2009

	Note	2009 £	2009 £	2008 As restated £	2008 As restated £
Fixed assets					
Tangible fixed assets	8		129,194		206,139
Investments	9		5,828		5,828
Current assets					
Stock	10	23,570		29,862	
Debtors	11	156,251		93,274	
Cash at bank and in hand		759,932		1,041,391	
		<u>939,753</u>		<u>1,164,527</u>	
Creditors: amounts falling due within within one year	12	<u>280,084</u>		<u>706,902</u>	
Net current assets			<u>659,669</u>		<u>457,625</u>
Net assets			<u>794,691</u>		<u>669,592</u>
Funds					
Unrestricted funds	13		735,810		580,935
Restricted funds	14		58,881		108,657
			<u>794,691</u>		<u>669,592</u>

The financial statements were approved at the Annual General Meeting held on 22 October 2009 and signed on behalf of the Association by:



Philip Whyte
USSA President 2009/10

The notes on pages 11 to 21 form part of these financial statements.

University of Strathclyde Students' Association

Cash flow statement for the year ended 31 July 2009

	Note	2009 £	2008 £
Net cash (outflow) / inflow from operations	15	(217,029)	526,901
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(84,430)	(182,115)
(Decrease) / Increase in cash for the year	16	(281,459)	334,786

Reconciliation of net cash flow to movement in net debt

	Note	2009 £	2008 £
(Decrease) / Increase in cash for the year	16	(281,459)	334,786
Movement in net funds in the period		(281,459)	334,786
Net funds at 1 August 2008		1,041,391	708,805
Net funds at 31 July 2009	16	759,932	1,041,391

The notes on pages 11 to 21 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities ("SORP 2005").

Certain prior year comparatives have been restated to reflect compliance with SORP 2005, however these restatements have no impact on net assets or the overall result for the prior year.

The following principal accounting policies have been applied:

Incoming resources

Commercial trading activities

Income from commercial trading and other fundraising activities is included in the period in which the goods or services are supplied.

Grants

Grant income consists of core funding received from the University of Strathclyde and is included in incoming resources when receivable.

Investment income

Investment income, including bank interest is included when receivable, and is stated gross of taxation recoverable.

Other incoming resources

Other income, which also includes grants and donations in relation to the clubs and societies of the Association, is recognised in the period in which the Association is entitled to receipt.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Expenditure directly attributable to specific activities is allocated to those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Governance costs are attributable to compliance with the Association's constitutional and statutory requirements.

Tangible fixed assets

All expenditure of a capital nature is capitalised under one of the categories below, with the exception of assets purchased by the Sports Union which are written off in the year of acquisition.

Tangible fixed assets are stated at cost less accumulated depreciation, with depreciation calculated over the assets' estimated useful lives as follows:

Equipment	- 33% straight line
Furniture & fittings	- 33% straight line
Building additions/improvements	- 25% straight line

A full year's depreciation is charged in the year of acquisition with the exception of capital work in progress, which is not depreciated until the asset comes into use.

1 Accounting policies (continued)

Leased assets

Where assets are financed by leasing agreements which give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Depreciation on assets acquired under finance leases is charged to the Income and expenditure account to write the assets off over their expected useful lives.

Lease payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account using the straight line method.

Investments

Investments are included at cost price. SORP 2005 requires that investments are carried at valuation however the Trustees do not consider there to be a significant difference between the two values.

Stocks

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

Pension costs

The Association offers three defined benefit pension schemes for certain employees. The main scheme is the University Superannuation Scheme and the others being the Student Union Superannuation Scheme and the Local Government Pension Scheme. The local government scheme and the University Superannuation Scheme are administered by the University of Strathclyde and these are referred to in their financial statements.

The Student Union Superannuation Scheme is a defined benefit scheme which is externally funded and contracted out of the State Second Scheme. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. Under the terms of FRS 17, in these circumstances contributions are accounted for as if the scheme were a defined contribution scheme based on the actual contributions paid through the year.

Taxation

No provision is made in these accounts for corporation tax, as the Association is exempt from such taxes as its activities are recognised as charitable.

Funds

Unrestricted funds comprise grants and other incoming resources received or generated for general charitable purposes. They are available for use at the discretion of the Executive Committee in furtherance of the charity's charitable objectives.

The general fund, commercial reserve and non-commercial reserve represents the free reserves of the charity, which are not designated for particular purposes.

The Sports Union Fund; the Clubs & Societies Fund and the Sub Aqua Fund are restricted to specific activities of the Association as described by the fund name.

University of Strathclyde Students' Association

Notes forming part of the financial statements for the year ended 31 July 2009 (continued)

2 Commercial services' trading income

	Unrestricted £	Restricted £	2009 £	2008 £
Bar	1,018,078	-	1,018,078	1,018,800
Food	328,485	-	328,485	338,728
Games	135,901	-	135,901	126,030
Entertainment	153,502	-	153,502	148,888
Retail	75,905	-	75,905	63,806
	<u>1,711,871</u>	<u>-</u>	<u>1,711,871</u>	<u>1,694,052</u>

3 Investment income

	Unrestricted £	Restricted £	2009 £	2008 £
Bank interest received	24,088	-	24,088	45,479
	<u>24,088</u>	<u>-</u>	<u>24,088</u>	<u>45,479</u>

4 Total resources expended

	Basis of allocation	Commercial trading £	Association general & marketing £	Membership & welfare services £	Sports Union & Clubs £	Governance costs £	Total 2009 £	Total 2008 £
Costs directly allocated to activities								
Cost of Sales	Direct	479,164	-	-	-	-	479,164	477,046
Staff Related Costs	Direct	723,029	196,259	349,073	44,411	-	1,312,772	1,285,397
General Admin & Building Costs	Direct	198,766	162,741	110,520	35,643	-	507,670	517,320
Student Related Costs	Direct	32,250	22,400	13,971	3,415	-	72,036	197,678
Commercial & Society Related Costs	Direct	160,135	70	395	114,298	-	274,898	100,073
		1,593,344	381,470	473,969	197,767	-	2,646,540	2,577,514
Support costs allocated to activities								
Finance	Usage	80,785	18,850	24,236	10,771	7,800	142,442	176,805
Information Technology	Usage	46,597	10,873	13,979	6,213	-	77,661	72,082
Personnel	Usage	38,423	8,499	10,927	4,856	-	60,705	135,916
Facilities Management	Usage	170,441	39,770	51,132	22,726	-	284,069	317,302
		334,246	77,991	100,274	44,566	7,800	564,877	701,905
		1,927,590	459,461	574,233	242,333	7,800	3,211,417	3,279,419

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University of Strathclyde Students' Association

Notes forming part of the financial statements for the year ended 31 July 2009 (Continued)

5 Net movement in funds	2009 £	2008 £
This is arrived at after charging:		
Auditor's remuneration - audit services	7,800	6,500
<hr/>		
6 Emoluments	2009 £	2008 £
Wages and salaries	1,296,635	1,234,902
Social security costs	84,471	85,308
Pension costs	108,733	100,434
Restructuring Costs	-	74,378
<hr/>		
Total emoluments amounted to	1,489,839	1,495,022
<hr/>		
Average number of employees during year	99	115

One member of staff earns emoluments over £80,000.

Certain Trustees serve as full time sabbatical members of the Executive Committee and, as permitted by the Association's constitution, these individuals are remunerated for their roles. Amounts paid to Trustees in respect of services to the Association totalled £112,142 (2008: £107,609) during the year and are analysed as follows:

Position	2008/09 member	£	2009/10 member	£
President	Neil Campbell	17,063	Phil Whyte	1,586
Deputy	Nicole McCafferty	16,897	Amy Davies	1,751
VPSC	Martin Law	16,897	Kelley Temple	1,751
VPOCS	Phil Wilson	17,063	Iain Pullar	1,586
VPSD	Ben Docherty	16,897	Gill Currah	1,751
Sports	Campbell Steel	17,311	Phil Gallagher	1,586

The aggregate amount of expenses reimbursed to Trustees during the year was £670. These amounts related to travel and subsistence costs.

7 Pension Contributions

SUSS Pension Scheme

The Union participates in the Students Union Superannuation Scheme, a defined benefit scheme whose membership consists of employees of students unions and related bodies across the country. Benefits in respect of service up to 30 September 2003 accrue on a final salary basis with benefits in respect of service from 1 October 2003 onwards accruing on career average revalued earnings basis (CARE). The scheme operates as a pooled arrangement with contributions paid at a centrally agreed rate. As a consequence no share of the underlying assets and liabilities can be directly attributed to the Union.

The most recent valuation of the scheme was carried out as of 1st October 2007 and reported a market value for the schemes assets of £56.1m, liabilities of £83.4m and a net deficit of £27.3m. This position is expected to have worsened and the scheme faces some difficult choices in a volatile market. Following this valuation, the trustees had until December 2008 to submit a recovery plan to the pensions regulator. The discussions with the regulator tested the robustness of the assumptions and examined the length of the recovery period over 15 years. The regulator accepted the plan but would want to see a shortened recovery period following the next valuation. However as that discussion was being held when the effects of the economic crisis were only just being realised there are indications that the regulator has since revised its view on the length of recovery periods. The trustees will be considering this before the October 2010 valuation.

In the year since the valuation the fund deficit has almost doubled to £49m and the funding position has dropped to 51% funded. The onus is on the employer to fund this deficit. In order to do this the scheme trustees decided that a substantial increase in deficit contributions was required. It was anticipated that deficit contributions would have to double in order to address the extent of the shortfall in the scheme. For the year from 1 October 2009 to 30 September 2010 a 5% increase was levied on all employers. It has however been recognised that doubling contributions would be a significant charge on employers' funds and going forward the trustees intend to consult with employers on what arrangements they wish to make for future accrual of benefits.

Current contribution rates are 3% employee and 14.3% employer. The monthly deficit payment currently stands at £720 per month. Total payments to the scheme in the year to 31 July 2009 were £18,592.

USS Pension Scheme

The USS pension scheme is one of the biggest defined benefit pension schemes of its kind in the country with a total membership of 264,100, an increase of over 33% in the previous five years. The scheme has faced a very challenging year. The results of the latest actuarial valuation to 31 March 2008 were announced early in 2009 and confirmed what many in the sector had feared, that the cost of providing USS benefits is rising. The results of the valuation revealed that under the new scheme specific funding regime introduced by the Pensions Act 2004, the value of the assets of the scheme was £28,842.6m and the value of the schemes liabilities measured on a prudent basis was £28,135.3m, indicating a surplus of £707.3m. The assets therefore were sufficient to cover 103% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic glits basis, which uses more conservative assumptions, the funding level was approximately 71%; under the Pension Protection Fund regulation introduced by the Pensions Act 2004 the scheme was 107% funded; and using FRS17 (as if USS were a single employer scheme) the actuary estimated that the funding level at 31 March 2008 was 104%.

The overall contribution rate required for future service benefits alone at the date of valuation was 22.355% of pensionable salaries and the trustee company on the advice of the actuary increased the employers contribution rate from 1 October 2009 to 16% with the employees rate remaining at 6.35% of pensionable salary.

Since 31 March 2008, with the continuing fall in global investment markets, the actuary has estimated that as of 31 March 2009 the funding level under the new scheme specific funding regime had fallen from 103% to 74% and on the schemes historic basis from 71% to 51%. The various funding levels quoted above have improved somewhat following increase in investment markets but the board is fully aware of the funding pressures on the scheme. USS is a long term investor and the fund continues to enjoy positive cash flow with the aggregate of contributions and investment income exceeding benefit payments, and this is expected to continue for many years. Nevertheless, short term falls in the funding level which result in the scheme being underfunded on its technical provisions increase the likelihood that the board will at some point require additional contributions to fund the deficit over and above the current contribution rate. The employers and the trade union will discuss the future funding of the scheme and the board is fully supportive of their efforts to ensure that the USS remains a viable option for both employers and employees alike.

University of Strathclyde Students' Association

Notes forming part of the financial statements for the year ended 31 July 2009 (Continued)

7 Pension Contributions *continued*

Local Government Pension Scheme

With over 3.5m members, the Local Government Pension Scheme ("LGPS") is one of the largest public sector schemes in the UK. The LGPS is a nationwide scheme administered locally for participating employers through 99 regional pension funds. The USSA scheme is administered through the Strathclyde Pension Fund and in the year to 31 March 2009 had 91,148 active members, 40,804 deferred members and 59,754 pensioners.

In accordance with Regulation 76 of the Local Government Pension Schemes (Scotland) Regulations 1998 an actuarial valuation was carried out as at 31 March 2008. Results of the valuation were confirmed during March 2009 and a copy of the valuation report was issued to all participating employers. The valuation reported a funding level as at 31 March 2008 of 95% (97% at 31 March 2005). The fund held assets to the value of £9,943m and liabilities of £9,979m reporting an overall funding deficit of £486m. The deficit funding position indicated that the fund's objectives were not fully met at the valuation date. However the funding policy seeks to ensure that these are met over the long term. On completion of the actuarial valuation at 31 March 2008 the fund published a Revised Funding Strategy Statement in accordance with regulation 75a of the Local Government Pension Schemes (Scotland) Regulations 1998. The next formal valuation will take place at 31 March 2011 with results being available by 31 March 2012.

8 Tangible Fixed Assets

	Equipment £	Building Improvements £	Furniture & Fittings £	Total £
<i>Cost</i>				
At 1 August 2008	1,363,018	2,764,021	394,437	4,521,476
Additions	43,869	11,009 ✓	9,552	64,430
At 31 July 2009	1,406,887	2,775,030	403,989	4,585,906
<i>Depreciation</i>				
At 1 August 2008	1,330,584	2,618,994	365,769	4,315,337
Provided for the year	37,133	82,589	21,653	141,375
At 31 July 2009	1,367,717	2,701,583	387,412	4,456,712
<i>Net book value</i>				
At 31 July 2009	39,170	73,447	16,577	129,194
At 31 July 2008	32,434	145,027	28,678	206,139

University of Strathclyde Students' Association

Notes forming part of the financial statements for the year ended 31 July 2009 (Continued)

9 Fixed asset investments

	£
<i>Cost</i>	
At 1 August 2008 and 31 July 2009	5,828
<i>Net Book Value</i>	
At 31 July 2009	5,828
At 31 July 2008	5,828

Name of Company	Class of share capital held	Proportion of share capital held	Nature of business
NUS Services Limited	'A' Shares B' Shares	0.35%	Purchasing Services

10 Stocks

	2009 £	2008 £
Bar	21,438	24,049
Catering	2,132	5,813
	23,570	29,862
	23,570	29,862

11 Debtors

	2009 £	2008 £
Trade debtors - excluding University of Strathclyde	20,883	60,305
University of Strathclyde	23,203	-
VAT	6,881	1,906
Other debtors and prepayments	105,284	31,063
	156,251	93,274
	156,251	93,274

12 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors - excluding University of Strathclyde	99,899	109,789
University of Strathclyde	-	301,555
Club Savings	25,851	15,389
Taxation and social security	22,262	-
Accruals and deferred income	112,096	277,389
Other creditors	20,176	2,840
	<u>280,084</u>	<u>706,902</u>

13 Unrestricted funds

	Balance at 1 August £	Surplus / (Deficit) £	Fund Transfers £	Balance at 31 July £
Association General Fund	(183,331)	270,167	648,974	735,810
Commercial Reserve	498,821	-	(498,621)	-
Non-Commercial Reserve	143,234	-	(143,234)	-
Capital Expenditure Reserve	102,411	-	(102,411)	-
	<u>580,935</u>	<u>270,167</u>	<u>(95,292)</u>	<u>735,810</u>

Unrestricted funds other than the Association General Fund are designated funds that have been historically maintained in relation to specific activities of the Association. During the year, the trustees performed a review of these funds and elected to merge them within the Association General Fund since the separate funds no longer served a specific strategic purpose.

14 Restricted funds

	Balance at 1 August £	Surplus / (Deficit) £	Fund Transfers £	Balance at 31 July £
Sports Union Fund	66,193	(107,030)	86,215	45,378
Clubs & Societies Fund	41,879	(38,038)	9,662	13,503
Sub Aqua Fund	585	-	(585)	-
	<u>108,657</u>	<u>(145,068)</u>	<u>95,292</u>	<u>58,881</u>

The Sports Union Fund relates to funds held by the Association in relation to the Sports Union. The Association transferred £85,630 (2008: £81,552) from the Association General Fund to the Sports Union Fund during the year. In addition, the Sub Aqua fund was amalgamated into the Sports Union Fund, resulting in a £585 transfer into the fund.

The Clubs & Societies Fund represents funding received by the Association to support the various clubs and societies of the Association. Expenditure from this fund is made at the discretion of the Executive Committee based on applications from the clubs and societies. The Association transferred £9,662 (2008: £9,202) from the Association General Fund to the Clubs & Societies Fund during the year.

15 Reconciliation of operating profit to net cash flow from operating activities

	2009 £	2008 £
Net incoming / (outgoing) resources	125,099	35,937
Depreciation of tangible fixed assets	141,375	152,412
(Increase) / decrease in stocks	6,292	(543)
(Increase) / decrease in debtors	(62,977)	(22,117)
Increase / (decrease) in creditors	(426,818)	361,212
	<hr/>	<hr/>
Net cash Inflow / (outflow) from operating activities	(217,029)	526,901
	<hr/>	<hr/>

16 Analysis of changes in debt

	At 1 August 2008 £	Cash flow £	At 31 July 2009 £
Net cash			
Cash at bank and in in hand	1,032,365	(281,459)	750,906
Cash held on deposit	9,026	-	9,026
	<hr/>	<hr/>	<hr/>
	1,041,391	(281,459)	759,932
	<hr/>	<hr/>	<hr/>

17 Related party disclosures

Controlling parties

The Association is controlled by the Executive Committee which is subject to democratic election by the voting membership of the Association. The ultimate control of the Association is vested under the constitution in the membership in General meeting. As such no single person or entity controls the Association as defined by Financial Reporting Standard 8.

Related party transactions and balances

The University of Strathclyde is considered to be a related party by the Association as the Association is chartered under the charter of Strathclyde University. The Association is in receipt of a recurrent grant from Strathclyde University of £1,373,316 (2008: £1,328,372).

Other sales of £27,343 (2008: £2,550) were made to the University of Strathclyde and purchases of £176,020 (2008: £95,234) were made from the University of Strathclyde.

As at 31 July 2009 a balance of £23,203 (2008: £nil) was owed from the University of Strathclyde; in the prior year there was a creditor balance of £301,555 owed to the University of Strathclyde.

In addition the Association occupies a building owned by the University of Strathclyde on a rent free basis.

The Trustees of the Association are the members of the Executive Committee. The sabbatical members of the Executive Committee receive remuneration for their services as provided for within the Constitution. The aggregate amount payable under such contracts in the year was £112,142 (2008: £107,609). Full analysis is given in Note 6.

18 Contingent Liabilities

Pensions

University of Strathclyde Students' Association has been notified by the Students Union Superannuation Scheme of the estimated employer debt on withdrawal from the Scheme or following the Association ceasing to have any active members (for example because the last active member leaves or retires). Based on the financial position of the Scheme as at 1 October 2007 (the date of the most recent valuation), the estimated debt in respect of University of Strathclyde Students' Association was £376,487. Since that date, the Scheme actuary has calculated an updated estimated statutory debt of £471,035. The Association has no current plans to withdraw from the scheme.

At 31 July 2009 the Association had no other contingent liabilities.

The pages which follow do not form
part of the audited financial statements

University of Strathclyde Students' Association

Appendices to the financial statements for the year ended 31 July 2009 (Continued)

Appendix 1 - Analysis of Income & Expenditure by activity

	Total Income £	Cost of Sales £	Staff Related Costs £	General Admin & Building Costs £	Student Related Costs £	Commercial & Society Related Costs £	Total Expenditure £	Net surplus / (deficit) 2009 £	Net surplus / (deficit) 2008 £
Commercial Services	1,711,871	479,164	723,029	198,766	32,250	160,135	1,593,344	118,527	101,393
Conferences	-	-	-	-	-	-	-	-	15,595
Association General	106,908	-	121,482	140,844	-	70	262,206	(156,300)	(146,721)
Communications	16,557	-	74,767	22,087	22,400	-	119,264	(102,707)	(114,893)
Membership Services	214	-	138,483	8,361	7,360	-	155,204	(154,990)	(137,636)
Ask	-	-	60,814	10,944	1,655	-	73,413	(73,413)	(66,079)
Democratic Services	449	-	42,951	57,365	480	-	100,796	(100,347)	(85,209)
Sabbaticals	-	-	102,103	4,241	987	-	107,341	(107,341)	(107,609)
SRC departments	5,750	-	3,722	29,609	3,479	395	37,205	(31,456)	(17,916)
Finance	-	-	94,820	47,056	-	588	142,442	(142,442)	(176,605)
Information Technology	-	-	61,867	15,794	-	-	77,661	(77,661)	(72,082)
Personnel	-	-	57,088	3,617	-	-	60,705	(60,705)	(134,916)
Facilities Management	100	-	162,295	121,759	15	-	284,069	(283,969)	(317,302)
Sports Union	56,970	-	43,007	28,889	-	69,821	141,717	(84,747)	(68,772)
Clubs	40,295	-	1,404	6,754	3,415	44,477	56,050	(16,755)	(9,162)
Grant income	1,373,316	-	-	-	-	-	-	1,373,316	1,328,372
Investment income	24,088	-	-	-	-	-	-	24,088	45,479
Total	3,336,516	479,164	1,688,842	685,896	72,051	275,464	3,211,417	125,099	35,937