

**UNIVERSITY OF STRATHCLYDE  
STUDENTS' ASSOCIATION**

**REPORT AND FINANCIAL STATEMENTS**

**For the Year ended 31 July 2004**

**Charity Number SCO05914**

**BAKER TILLY  
Chartered Accountants  
Glasgow**

**UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION**

**REPORT AND FINANCIAL STATEMENTS**

**For the Year ended 31 July 2004**

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# UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

## Executive Committee and Association Information

University of Strathclyde Students' Association is constituted under the charter of Strathclyde University. The activities of the Association are governed by its constitution and bye-laws.

### Executive (1<sup>st</sup> July 2004 – 30<sup>th</sup> June 2005)

Jamie Davidson : President  
Rebecca Robinson : Deputy President  
Scott Rae : President – Sports Union  
Rosie Steele : V.P. Advice & Support  
Ronan Evers-Norton : V.P. Finance & Commercial Services  
Susan Faris : V.P. Student Development  
Sareta Puri : Academic Affairs Officer  
Avril Honan : Equal Opportunities Officer  
Kylee Brown : Convenor of Clubs & Societies  
Iain Delworth : Convenor of Communications & Marketing

### Executive (1<sup>st</sup> July 2003 – 30<sup>th</sup> June 2004)

Ian Robertson : President  
Phyl Meyer : Deputy President  
Neil Gray : President – Sports Union  
John McLean : V.P. Advice & Support  
Eleanor McKinnon : V.P. Finance & Commercial Services  
Lynsey Orr : V.P. Student Development  
Rebecca Robinson : Academic Affairs Officer  
Grant Walker : Equal Opportunities Officer  
Stuart Wilson : Convenor of Clubs & Societies  
Katy McCloskey : Convenor of Communications & Marketing

### Auditors

Baker Tilly  
Breckenridge House  
274 Sauchiehall Street  
Glasgow  
G2 3EH

### Bankers

National Westminster Bank  
14 Blythswood Square  
Glasgow  
G2 4AQ

### Principal Address

90 John Street  
Glasgow  
G1 1JH

# **UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION**

## **Vice-President – Finance & Commercial Services' commentary on the Financial Statements for the year ended 31 July 2004**

Those elected by ordinary members to the Student Representative Council, 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.

Financially, the Association was faced with a very difficult year for 2003/04. It commenced with a fall in commercial performance over Freshers Week a trend which continued through Term 1. The main factors affecting commercial performance included later socialising hours for students and difficulty in acquiring quality entertainment. Decline in bar sales was the area of greatest significance however there was also a considerable fall in retail sales over last year.

In compliance with new licencing law regulations introduced in January 2004 the Association implemented a new pricing strategy in Term 2 which resulted in a further downturn in bar sales. The change to the licencing law has had a significant affect to the Association's marketing strategy and the forthcoming year will see the Association adopt a new strategy to rebuild its commercial services.

Despite the general downturn in performances there were commercial areas of particular success which are also worth noting. The Gamezone outlet which was refurbished for the start of the year had excellent sales growth across all income categories. This was joined by strong sales in our catering department.

The Association realised at an early stage the financial implications of the decline in commercial performance. This led to a financial review which resulted in the implementation of a new organisational structure. The Association regrettably issued redundancy notices to members of staff and closed its retail outlet at the Lord Todd.

The Association ran a number of well received campaigns throughout the year. Standing out in particular were our 'Stop Top-Up Fees' campaign, which saw Strathclyde take student delegations down to London to lobby Scottish MPs directly, resulting in the Government's narrowest majority so far for the Higher Education Act. Our SPIKE (sexual health) campaign also stood out, with students being graphically shown the danger of drink spiking through an innovative campaign which is now being copied by unions around the country.

With in excess of 40 individual sporting clubs offered to our members key areas of achievements were highlighted by the success of the sailing club which won the student yachting world cup in France, the men's hockey club which won its league and the swimming and badminton clubs which won the students union Scottish championships.

Realising the importance of electronic communication with our membership the Association invested in the

implementation of a new internet site which offers new facilities and various modes of communication with our members.

The Association recognizes there is significant change to the requirements of our membership and consequently has committed to the development of a three year strategic plan. The strategic plan will also be supported by an Annual report with its first publication due in September 2004.

Ronan Evers-Norton  
V.P. Finance & Commercial Services

# **UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION**

## **Executive Responsibilities**

**Year ended 31 July 2004**

The Executive Committee are 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 9 to 11, 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 Law Reform (Miscellaneous Provisions) Scotland Act 1990 and the Charities Accounts (Scotland) Regulations 1992. 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.

Jamie Davidson  
President

# UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

## Auditors' Report to the members

Year ended 31 July 2004

### **Independent auditors' report to the members of University of Strathclyde Students' Association**

We have audited the financial statements on pages 6 to 22 of the University of Strathclyde Students' Association for the year ended 31 July 2004. 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 association's members, as a body, in accordance with the Charities Accounts (Scotland) Regulations 1992. Our audit work has been undertaken so that we might state to the association's members 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 association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of committee members and auditors**

The committee member's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Executive's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 constitution of the Association. We also report to you if, in our opinion, the Vice President's Report is not consistent with the financial statements, if the Association has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We have read the Vice President's Report and consider the implications for our report if we become aware of any apparent misstatements 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 Association in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association'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**

**Auditors' Report to the members**

**Year ended 31 July 2004**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2004 and of its deficit for the year then ended, and have been properly prepared in accordance with the Charities Accounts (Scotland) Regulations 1992.

Breckenridge House  
274 Sauchiehall Street  
Glasgow  
G2 3EH

**BAKER TILLY**  
Chartered Accountants  
& Registered Auditors

**UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION**

**Income and expenditure account for the year ended 31 July 2004**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2004 £	Total 2003 £
<b>Income</b>					
Grant from University		1,070,400	-	1,070,400	962,360
Commercial services' trading income	3	2,571,631	-	2,571,631	2,911,857
Conferences	5	-	-	-	-
Association general	5	114,735	-	114,735	109,993
Information Technology	5	-	-	-	357
Democratic Services	5	-	-	-	16
Playgroup	5	-	-	-	437
Ask 4	5	1,559	-	1,559	1,621
Personnel	5	5	-	5	162
Membership Services	5	29,925	-	29,925	21,607
Marketing	5	6,224	-	6,224	-
Sub Aqua Fund	6	-	-	-	-
Sports Union	6	-	82,427	82,427	67,309
Clubs & Societies	6	-	17,047	17,047	29,501
		<u>3,794,479</u>	<u>99,474</u>	<u>3,893,953</u>	<u>4,105,220</u>
<b>Expenditure</b>					
<b>Direct charitable expenditure:</b>					
Commercial services' trading costs	4	2,426,845	-	2,426,845	2,602,534
Sabbaticals	5	90,979	-	90,979	86,213
Membership services expenditure	5	122,062	-	122,062	117,840
Playgroup	5	-	-	-	47,015
Ask 4	5	66,821	-	66,821	64,089
SRC departments	7	25,457	-	25,457	26,938
Conference	5	-	-	-	2,742
<b>Other expenditure:</b>					
Association general	5	316,541	-	316,541	240,138
Finance	5	179,867	-	179,867	174,485
Information technology	5	86,265	-	86,265	73,931
Democratic Services	5	20,611	-	20,611	28,950
Personnel	5	102,454	-	102,454	93,682
Facilities Management expenditure	5	334,081	-	334,081	338,172
Marketing	5	72,977	-	72,977	46,669
Sports union	6	-	196,094	196,094	183,052
Clubs & societies	6	-	24,387	24,387	29,980
<b>Total resources expended</b>		<u>3,844,960</u>	<u>220,481</u>	<u>4,065,441</u>	<u>4,156,430</u>
<b>(Deficit) on activities</b>		(50,481)	(121,007)	(171,488)	(51,210)
Staff Restructure Costs		(146,827)	-	(146,827)	-
Interest received		24,881	-	24,881	30,896
<b>Net (outgoing) resources before transfers</b>	17	<u>(172,427)</u>	<u>(121,007)</u>	<u>(293,434)</u>	<u>(20,314)</u>
Transfer between restricted funds		-	(14,620)	(14,620)	(33,762)
Transfer to restricted funds	17	<u>(146,500)</u>	<u>146,500</u>	<u>-</u>	<u>-</u>
<b>Net incoming resources</b>		<u>(318,927)</u>	<u>10,873</u>	<u>(308,054)</u>	<u>(54,076)</u>
Fund balance brought forward at 1 August 2003		941,665	61,937	1,003,602	1,057,678
<b>Fund balance carried forward at 31 July 2004</b>		<u><b>622,738</b></u>	<u><b>72,810</b></u>	<u><b>695,548</b></u>	<u><b>1,003,602</b></u>

The Association has no recognised gains and losses other than the surplus above and therefore no separate statement of total recognised gains and losses has been presented. There is no difference between each surplus for the year stated above and their historical cost equivalents. All activities relate to continuing operations.

# UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

## Balance sheet as at 31 July 2004

	Note	2004 £	2003 £
<b>Fixed assets</b>			
Tangible assets	12	438,590	514,191
Investments (at cost)	13	5,828	5,828
		444,418	520,019
<b>Current assets</b>			
Stock	14	54,366	62,901
Debtors	15	194,689	186,780
Deposit		9,026	9,026
Cash at bank and in hand		301,036	528,413
		559,117	787,120
<b>Creditors: amounts falling due within one year</b>	16	307,987	303,537
<b>Net current assets</b>		251,130	483,583
<b>Net assets</b>		695,548	1,003,602
<b>Funds</b>			
Unrestricted funds	17	622,738	941,665
Restricted funds	18	72,810	61,937
<b>Total funds</b>		695,548	1,003,602

The financial statements were signed on behalf of the Association by:

Jamie Davidson  
President

**UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION**

**Cash flow statements for the year ended 31 July 2004**

	<b>Note</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
<b>Net cash inflow from operating activities</b>	19	(5,059)	64,600
Returns on investment and servicing of finance		24,881	30,896
Capital expenditure		<u>(247,199)</u>	<u>(294,437)</u>
<b>(Decrease) in cash for the year</b>	20	<u><u>(227,377)</u></u>	<u><u>(198,941)</u></u>
 <b>Reconciliation of net cash flow to movement in net debt</b>			
	<b>Note</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
<b>(Decrease) in cash for the year</b>	20	<u>(227,377)</u>	<u>(198,941)</u>
Movement in net funds in the period		<u>(227,377)</u>	<u>(198,941)</u>
Net funds at 1 August 2003		<u>537,439</u>	<u>736,380</u>
<b>Net funds at 31 July 2004</b>	20	<u><u>310,062</u></u>	<u><u>537,439</u></u>

# UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 31 July 2004

### 1. Accounting policies

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice for Accounting by Charities.

#### Turnover

The turnover shown in the income and expenditure account represents amounts invoiced and cash sales during the period.

#### Stocks

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

#### Investments

Investments are included at cost price.

#### Fixed assets

Fixed assets are categorised under three main headings as follows:

Equipment  
Furniture and fittings  
Building additions/improvements

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

#### Depreciation

Depreciation is provided on all of the above categories of fixed assets on straight line basis over the following periods:

Equipment	3 years
Furniture and fittings	3 years
Building additions/improvements	4 years

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.

# UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 31 July 2004

### 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.

### Grants

Grants which relate to specific capital expenditure are treated as deferred income which is then credited to the income and expenditure account over the related asset's useful life. Other grants are credited to the income and expenditure account when received.

### Pension costs

The Association operates three defined pension schemes for certain employees. The main scheme is the University USS scheme for new employees, the local government scheme for existing employees and the other being the Students Union Superannuation Scheme.

The Student Union Superannuation Scheme is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension 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. In the intervening years, the actuary reviews the progress of the scheme. 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 FRS17, in these circumstances contributions are accounted for as if the scheme were a defined contribution scheme based on 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.

# **UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION**

## **Notes to the financial statements**

**For the year ended 31 July 2004**

### **Funds**

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

The general fund represents the free reserves of the charity, which are not designated for particular purposes.

The Sports Union Fund; the Clubs Fund and the Sub Aqua Fund have all been designated for specific purposes identified at the time of receipt.

**UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION**

**Notes to the financial statements**

**For the year ended 31 July 2004**

**2. Summary statement of financial activities for the year ended 31 July 2004**

	Restricted Funds			Sub Aqua Fund	2004 Total	2003 Total
	Total Unrestricted Funds	Sports Union Fund	Clubs & Societies Fund			
	£	£	£	£	£	£
<b>Incoming Resources</b>	3,819,360	82,427	17,047	-	3,918,834	4,136,116
Resources Expended						
Direct charitable expenditure	2,732,164	196,094	24,387	-	2,952,645	3,160,403
Management and administration	1,186,646	-	-	-	1,186,646	949,358
Marketing	72,977	-	-	-	72,977	46,669
<b>Resources Expended</b>	3,991,787	196,094	24,387	-	4,212,268	4,156,430
	(172,427)	(113,667)	(7,340)	-	(293,434)	(20,314)
Fund transfers	(146,500)	113,856	18,024	-	(14,620)	(33,762)
Net (outcoming)/incoming resources	(318,927)	189	10,684	-	(308,054)	(54,076)
Fund balance brought forward at 1 August 2003	941,665	38,083	23,276	578	1,003,602	1,057,678
Fund balance brought forward at 31 July 2004	622,738	38,272	33,960	578	695,548	1,003,602

# UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 31 July 2004

### 3. Commercial Services' Turnover

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Bar	1,302,537	1,486,613
Food	379,370	337,219
Games	279,018	252,644
Entertainment	35,750	42,199
Retail	452,843	637,937
Other	122,113	155,245
	<u>2,571,631</u>	<u>2,911,857</u>

### 4. Commercial Services' Trading Costs

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Cost of sales	920,516	1,092,805
Staff related costs	929,050	967,309
General Admin & building costs	364,146	338,320
Commercial related costs	185,255	203,935
Student related cost	27,878	165
	<u>2,426,845</u>	<u>2,602,534</u>

**UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION**

**Notes to the financial statements**

**For the year ended 31 July 2004**

**5. Unrestricted Income & Expenditure**

	<b>2004</b>						<b>2003</b>	
	<b>Income</b>	<b>Staff Related Costs</b>	<b>General Admin &amp; Building Costs</b>	<b>Student Related Costs</b>	<b>Commercial Related Costs</b>	<b>Total Costs</b>	<b>Net Surplus/ (Deficit)</b>	<b>Net Surplus/ (Deficit)</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Conferences	-	-	-	-	-	-	-	(2,742)
Association General	114,735	132,692	178,281	17	5,551	316,541	(201,806)	(130,145)
Finance	-	130,258	49,695	-	(86)	179,867	(179,867)	(174,485)
IT	-	46,357	39,908	-	-	86,265	(86,265)	(73,574)
Democratic Services	-	17,907	2,704	-	-	20,611	(20,611)	(28,934)
Playgroup	-	-	-	-	-	-	-	(46,578)
Ask 4	1,559	52,463	13,510	848	-	66,821	(65,262)	(62,468)
Personnel	5	93,984	8,494	-	(24)	102,454	(102,449)	(93,520)
Facilities Management	-	141,481	192,600	-	-	334,081	(334,081)	(338,172)
Sabbaticals	-	83,281	7,639	(114)	173	90,979	(90,979)	(86,213)
Membership Services	29,925	85,268	10,091	26,635	68	122,062	(92,137)	(96,233)
Marketing	6,224	46,428	25,774	775	-	72,977	(66,753)	(46,669)
<b>Total</b>	<b>152,448</b>	<b>830,119</b>	<b>528,696</b>	<b>28,161</b>	<b>5,682</b>	<b>1,392,658</b>	<b>(1,240,210)</b>	<b>(1,179,733)</b>

**UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION**

**Notes to the financial statements**

**For the year ended 31 July 2004**

**6. Restricted income & expenditure**

	2004						2003		
	Income	Staff Related Costs	General Admin & Building Costs	Student Related Costs	Commercial Related Costs	Society Costs	Total Costs	Net Surplus/ (Deficit)	Net Surplus/ (Deficit)
	£	£	£	£	£	£	£	£	£
Sub Aqua Fund		-	-	-	-	-	-	-	-
Sports union	82,427	73,433	59,786	408	62,467	-	196,094	(113,667)	(115,743)
Clubs	17,047	6,094	8,948	422	8,494	429	24,387	(7,340)	(479)
<b>Total</b>	<b>99,474</b>	<b>79,527</b>	<b>68,734</b>	<b>830</b>	<b>70,961</b>	<b>429</b>	<b>220,481</b>	<b>(121,007)</b>	<b>(116,222)</b>

# UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 31 July 2004

### 7. SRC

	2004	2003
	£	£
Rag	1,657	2,964
Debates	4,800	4,532
Cactus	1,396	2,135
Overseas students	15	-
Lesbian, gay, bisexual	740	1,569
Postgraduates	-	-
Mature students	735	3,758
Campaigns	1,415	1,422
Training Team	361	(67)
Women's group	258	249
Chaplaincy	-	-
Education	-	11
Telegraph	7,782	4,694
Fusion FM	544	995
Nightline	1,500	1,416
Student Development	267	3,260
Marketing Team	(13)	-
Halls	4,000	-
Film & Doc Society	-	-
Net Cost	<u>25,457</u>	<u>26,938</u>

# UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 31 July 2004

### 8. Trading surplus is stated after charging:

	2004	2003
	£	£
Auditor's remuneration	<u>7,200</u>	<u>7,050</u>

### 9. Emoluments

Wages and salaries	1,380,625	1,376,574
Social security costs	93,238	86,679
Pension costs	<u>88,837</u>	<u>82,058</u>
Total emoluments amounted to	<u>1,562,700</u>	<u>1,545,311</u>
Average number of employees during the year	<u>150</u>	<u>150</u>

### 10. Staff Restructure Costs

A total payment of £146,827 was made in respect of staff restructure costs.

### 11. Pension Contributions

The Union participates in the Students Union Superannuation Scheme, a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country. 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 FRS17, in these circumstances contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions paid through the year.

The most recent valuation of the scheme was carried out as at 1 October 2001 and showed that the market value of the scheme's assets was £22,530,000 with these assets representing 46% of the benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing basis amounted to £26,525,000.

The assumptions which have the most significant effect upon the results of those valuations are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The following assumptions applied:

- The investment return would be 6.5% per annum before retirement and 5.5% per annum after retirement
- Salaries would increase at 4.5% per annum, equivalent to 2% per annum above inflation
- Present and future pensions would increase at rates specified by scheme rules with appropriate assumptions where these are dependent on inflation.

# UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

## Notes to the financial statements

**For the year ended 31 July 2004**

### 11. Pension Contributions (c'tnd)

In view of the funding position of the Scheme, the Trustees have decided to amend the Scheme Rules with effect from 1 October 2003. This will change the Scheme from a final salary basis to a Career Average Revalued Earnings basis (CARE). The combined rate payable from 1 October 2003 will be 22.5% of pensionable earnings with high rates payable in certain circumstances.

The contribution rate for the year ended 31 July 2003 applicable to this Union for the majority of members is 3% of Earnings for members and 19.5% of Earnings for the Union, (22.5% in aggregate).

Surpluses or deficits which arise at future valuations may impact on the Union's future contribution commitment. The next formal valuation is due as at 1 October 2004 when the above rates will be reviewed.

The contributions paid into the scheme in respect of eligible employees for the year ended 31 July 2004 amounted to £22,905 (2003: £32,554).

### 12. Fixed assets

	Equipment	Building	Furniture & Fittings	Assets under construction	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 August 2003	1,150,007	2,173,840	279,389	89,086	3,692,322
Additions	53,272	187,708	6,219	-	247,199
Disposals	-	(10,000)	-	-	(10,000)
Transfers	12,745	72,040	4,301	(89,086)	-
<b>At 31 July 2004</b>	<u>1,216,024</u>	<u>2,423,588</u>	<u>289,909</u>	<u>-</u>	<u>3,929,521</u>
<b>Depreciation</b>					
At 1 August 2003	1,061,403	1,846,439	270,289	-	3,178,131
Disposals	-	(10,000)	-	-	(10,000)
Provided during the year	87,434	227,303	8,063	-	322,800
<b>At 31 July 2004</b>	<u>1,148,837</u>	<u>2,063,742</u>	<u>278,352</u>	<u>-</u>	<u>3,490,931</u>
<b>Net book value</b>					
At 31 July 2004	67,187	359,846	11,559	<u>-</u>	438,590

At 31 July 2003	<u>88,604</u>	<u>327,401</u>	<u>9,100</u>	<u>89,086</u>	<u>514,191</u>
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**UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION**

**Notes to the financial statements**

**For the year ended 31 July 2004**

**13. Investments**

	<b>£</b>
Cost at 1 August 2003 and 31 July 2004	<u>5,828</u>
Net Book Value	
At 31 July 2004	<u>5,828</u>
At 31 July 2003	<u>5,828</u>

At 31 July 2004 the Association held investments in the following companies which are incorporated in the United Kingdom:

Name of Company	Main Trading Activity	Equity Held
NUS Services Limited	Purchasing Services	“A” Shares – 0.35% “B” Shares

**14. Stock**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Bar	21,888	23,395
Shop	20,621	22,834
Catering	11,857	11,952
Lord Todd Shop	-	4,720
	<u>54,366</u>	<u>62,901</u>

**15. Debtors**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade debtors	53,723	40,214
Other debtors and prepayments	127,373	103,220
University of Strathclyde	13,593	26,754
VAT	-	16,592
	<u>194,689</u>	<u>186,780</u>

**UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION**

**Notes to the financial statements**

**For the year ended 31 July 2004**

**16. Creditors – Amounts falling due within one year**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade creditors	86,922	139,029
Accruals and deferred income	210,284	164,508
Club Savings	1,617	-
Prepayment Cards	127	-
Welfare Book Fund	167	-
VAT	8,870	-
	<u>307,987</u>	<u>303,537</u>

**17. Unrestricted funds**

	<b>Association General Fund £</b>	<b>Information Technology Fund £</b>	<b>Commercial Reserve £</b>	<b>Non- Commercial Reserve £</b>	<b>Total £</b>
Balance brought forward at 1 August 2003	260,010	-	584,621	97,034	941,665
Transfers:					
From IT Fund	-	-	-	-	-
Commercial reserve	(14,500)	-	14,500	-	-
To Non-commercial reserve	(10,700)	-	-	10,700	-
To Sports union fund	(124,500)	-	-	-	(124,500)
To Clubs & Societies fund	(22,000)	-	-	-	(22,000)
Deficit for the year	(172,427)	-	-	-	(172,427)
<b>Balance carried forward At 31 July 2004</b>	<u>(84,117)</u>	<u>-</u>	<u>599,121</u>	<u>107,734</u>	<u>622,738</u>

**UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION**

**Notes to the financial statements**

**For the year ended 31 July 2004**

**18. Restricted funds**

	<b>Sports Union Fund</b>	<b>Clubs &amp; Societies Fund</b>	<b>Sub Aqua Fund</b>	<b>Total</b>
	£	£	£	£
Balance brought forward at 1 August 2003	38,083	23,276	578	61,937
Transfers to Income & Expenditure Account	(10,644)	(3,976)	-	(14,620)
Transfers	124,500	22,000	-	146,500
(Deficit) for the year	<u>(113,667)</u>	<u>(7,340)</u>	-	<u>(121,007)</u>
Balance carried forward at 31 July 2004	<u>38,272</u>	<u>33,960</u>	<u>578</u>	<u>72,810</u>

**19. Reconciliation of operating profit to net cash flow from operating activities**

	<b>2004</b>	<b>2003</b>
	£	£
<b>Continuing operations</b>		
(Deficit) on activities	(318,315)	(51,208)
Transfer from Funds	(14,620)	(33,760)
Depreciation of tangible fixed assets	322,799	253,348
Decrease in stocks	8,536	11,623
(Increase) in debtors	(7,909)	(47,218)
Increase/(Decrease) in creditors	<u>4,450</u>	<u>(68,185)</u>
	<u>(5,059)</u>	<u>64,600</u>

**20. Analysis of changes in debt**

	<b>At 31 July 2003</b>	<b>Cashflow</b>	<b>At 31 July 2004</b>
	£	£	£
<b>Net cash</b>			
Cash in hand, at bank	528,413	(227,377)	301,036
Cash held on deposit	<u>9,026</u>	<u>-</u>	<u>9,026</u>
	<u>537,439</u>	<u>(227,377)</u>	<u>310,062</u>

# UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

## Notes to the financial statements

For the year ended 31 July 2004

### 21. Capital commitments

At July 2004, the Association had capital commitments of £50,000 (2003: £326,000).

### 22. Related party transactions

The Association is an exempt charity for the purposes of the Charities Accounts (Scotland) Regulations 1992. The Association is in receipt of a recurrent grant from Strathclyde University of £1,070,400 (2003 - £962,360).

In addition the Association occupies its building 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 £73,422 (2003 - £70,067)

### 23. Controlling Party

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.

### 24. Commitment Under Operating Leases

At 31 July 2004 the Association had annual commitments under non-cancellable operating leases as set out below.

	<b>2004</b>	<b>2003</b>
	Assets Other Than Land and Buildings	
	£	£
Operating leases which expire:		
Within 1 year	1,936	-
Within 2 to 5 years	<u>2,352</u>	<u>5,800</u>
	<u>4,288</u>	<u>5,800</u>

# UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Year ended 31 July 2004

## Schedule of subscriptions

	£
NUS	50,898
BUSA	42
AMSU	550
SCVO	298
UKCOSA	259
CAB	162
CIPD	78
SKILL	148
THE WORK FOUNDATION	210
IPD	104
AUA	68
LABOUR RESEARCH DEPT	160
CPAG	55
CRONER	2,346
WHAT TO BUY FOR BUSINESS	167
LEGAL SERVICES AGENCY	50
INSTITUTE OF RISK & SAFETY MANAGEMENT	53
FENMAN	513
SUSF	3,500
CHESS	300
NATIONAL UNION OF JOURNALISTS	10
SCOTTISH ASSOC. OF VOL MANAGERS	40
TIMES HIGHER EDUCATION SUPPLEMENT	44
Total	<u>60,055</u>

This schedule does not form part of the audited financial statements.