

UNIVERSITY OF ESSEX STUDENTS' UNION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 July 2010

UNIVERSITY OF ESSEX STUDENTS' UNION

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UNIVERSITY OF ESSEX STUDENTS' UNION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS for the year ended 31 July 2010

Trustees

Sabbatical Trustees

Resigned at 30th June 2010

Ibrahim Mehmet (Chair)
Lisa Hiscock
Saad Gul Mohammed
Phil Macken
Edison Peng Yan

Appointed at 1st July 2010

Kishor Krishnamoorthi (Chair)
Ashley Rudge
Alex Reilly
Zoe Lester
Jevanni Letford

Student Trustees

Resigned at 31st March 2010

Daisy Blench
Laurence Hall
Ashley Rudge
Kishor Krishnamoorthi

Appointed 1st April 2010

Lisa Hiscock
Haider Ali Khan

Southend Student Trustee

Resigned 28th January 2010

Richard Kwakye

Appointed 31st March 2010

Gibson Lusigi

External Trustees

Barry Hadden
David Motum
Neil O'Hare

Main Address

Wivenhoe Park
Colchester
Essex
CO4 3SQ

Chief Executive

Craig Stephens (appointed 03/08/09)

UNIVERSITY OF ESSEX STUDENTS' UNION

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
for the year ended 31 July 2010**

Advisers (continued)

Auditors

Crowe Clark Whitehill LLP
Statutory Auditor
49 - 51 Blagrove Street
Reading
Berkshire
RG1 1PL

Bankers

Lloyds TSB Bank plc
27 High Street
Colchester
CO1 1DU

UNIVERSITY OF ESSEX STUDENTS' UNION

TRUSTEES' REPORT for the year ended 31 July 2010

The Trustee presents his report and the financial statements for the year ended 31 July 2010.

- 1) **Structure, Governance and Management**
 - a) **Constitution**

Vision

'Positively affecting the life of every student'

Mission

The University of Essex Students' Union supports and enhances the educational, social, cultural and recreational activities of all students at Essex and provides representation for all students within the University, both locally and nationally.

And we:

- ensure that all students have the opportunity to participate in S.U. activity
- deliver the highest quality support for all student-led democratic representation structures
- ensure that every student has access to their academic representatives
- actively listen and respond to all our members
- deliver quality services reflective of the needs of our students
- provide opportunities for personal and professional development

- b) **Method of Appointment or Election of Trustees**

The management of the Students' Union is the responsibility of the Trustees. All Trustees serving during the period covered by these accounts were elected by cross-campus ballot in accordance with Schedule 1 of the Constitution, with the exception of the external trustees who were appointed as per appendix 5 of the Constitution.

- c) **Policies adopted for the Induction and training of Trustees**

All Trustees receive induction and training in April and September each year.

- d) **Organisational Structure and decision-making**

The Trustees delegate responsibility for day-to-day operations to the Chief Executive and for organisational decision-making to the Finance and Resources Committee, a sub-committee of the Trustees.

UNIVERSITY OF ESSEX STUDENTS' UNION

TRUSTEES' REPORT for the year ended 31 July 2010

2. The Big Plan

This year saw the Board initiate a review of the Union's strategic direction. The board wanted to ensure that as many stakeholders as possible were included in the process. All permanent staff were asked to produce their vision of the future for the Union. This was then presented to the Trustees who used that data together with their own data generated on their away day to compile a document that was then presented to the membership for feedback. Over 500 students actively contributed to the development of the plan which is now being monitored regularly by Big Plan champions who are using many diverse means to continually canvas the views of staff and students alike.

3. Objectives and Activities

The Union has achieved much over the last twelve months and has had many successes.

a) Representation and Democracy

The executive team had a very productive year. Some of the more significant successful campaigns and achievements include:

- Record voter numbers participating in the Union Elections of 2593 an increase of 536 on 2008/9
- 108 different nationalities voted
- 100% attendance by the Education Committee at the University Senate for the first time
- Highest ever attendance at Course Representative Training
- 24 Hour Library during the examination period
- Alumni Funding of £22k secured, included £15k towards a disabled mini-bus
- Student Health Campaigns – including termly dentist visits for free check-up, STI checks, chlamydia testing and the introduction of a new pharmacy service via the SU reception
- Essex Jets Accommodation Reps made up of volunteers & co-ordinators to represent students on accommodation issues, promote SU opportunities, organise events and to increase the sense of community on Campus
- Food Diversity on Campus campaign included the introduction of the weekly International Food Night
- Improved wireless coverage on Campus
- Agreement by the Vice-Chancellor to introduce lecture podcasts throughout the University

b) Students Activities and Development

As part of the restructuring a new department was constructed reporting to the Deputy Chief Executive. This has led to significant achievements being made during the year, these include the following:

- 500% increase in active, student led volunteering projects, including teaching English language to refugees, the University Nursery allotment project, Global Voices cultural diversity awareness presentations and DJ training and competition with Wivenhoe Youth Club
- Re-branding and re-launch of Volunteering, re-defining its purpose as being an instigator of Volunteering projects rather than just a volunteer bureau.
- V-Oscars night for volunteer recognition was a great success with attendance levels at their highest to date
- Increase in BUCS participation levels with 45 teams in the BUCS league versus 38 prior year, finishing 39th in the league as the second most improved University against 50th 2008/9
- Derby Day victory against UEA with a score of 30 points v 15
- Highest number of Society Guild members to date at 2621
- Increased levels of Clubs & Society involvement in volunteering & involvement in the community
- Our LGBT Society won the Higher Education LGBT Society of the year Award

c) Advice Centre:

Another very busy year for our independent Advice Centre including the following:

- Completion of an additional interview room to increase the capacity for confidential student meetings
- New Casework database installed leading to improved services provided to students
- Visa and Housing workshops introduced
- New Translation service implemented
- Law Clinics now run on a weekly basis due to demand
- Advice Centre Clinics extended to the Southend Campus
- Pilot Advice Centre drop-ins at Loughton Campus

UNIVERSITY OF ESSEX STUDENTS' UNION

TRUSTEES' REPORT for the year ended 31 July 2010

d) Investors In People

The Union achieved the Investors in People Gold award, the first Students' Union in the country to be awarded this accolade with only one in every one thousand businesses achieving it.

4. Financial Performance

A number of factors have contributed to the Unions year end position. The most significant being the salary savings following the staff redundancies in November. This not only impacts on this year's result but, more importantly, the longer term positive effect on our performance.

The waiver of the Campus Shop rent and the University's agreement to pay the yearly costs of the loan taken out with Lloyds to pay for the development of Sub Zero means that the Union finds itself at the year end with a surplus of £156.6k versus a loss of £17.9k prior year, £135.7k ahead of plan. This result has boosted our free reserves to £292.4k and delivered a closing net current asset position of £90.1k enabling us to meet our Banking Covenants.

This positive result is the start of our 5 year plan to increase our free reserves sufficiently to allow for cash balances to remain in the black during periods of limited trade without the need to obtain advances from the University or pay for working capital overdraft facilities from the Bank.

5. Plans for 2010/2011

This year will see the Board concentrating on making sure that the financial position achieved in 2009/10 is carried forward into 2010/11. The already agreed increase in the block grant and the University's inclusion of the Union in its Capital Investment plan and Long term Maintenance Programme should mean the Union no longer taking out unnecessary loans, the refurbishment of the SU bar being the first of this type of funded project.

The change of Government and Lord Browne's report into Higher Education funding could bring about an uncertainty into the overall funding of Higher Education. The Board will be monitoring this closely and responding as necessary.

The Big Plan will be continually monitored by the board and successes highlighted to the membership.

RESULTS

The surplus for the year, after taxation, amounted to £156,640 (2009 - deficit £17,901).

PROVISION OF INFORMATION TO AUDITOR

The Trustees at the time when this Trustees' Report is approved have confirmed that:

- so far as the Trustees are aware, there is no relevant audit information of which the Union's auditors are unaware, and
- the Trustees have taken all the steps that ought to have been taken as the Trustees in order to be aware of any information needed by the Union's auditors in connection with preparing their report and to establish that the Union's auditors are aware of that information.

This report was approved by the board on 17th November 2010 and signed on its behalf.

This report was approved by the board on 17 November 2010 and signed on its behalf.



Kishor Krishnamoorthi
President / Chair of Trustees

UNIVERSITY OF ESSEX STUDENTS' UNION

STATEMENT OF TRUSTEE'S RESPONSIBILITIES for the year ended 31 July 2010

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net outgoing resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. 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.

UNIVERSITY OF ESSEX STUDENTS' UNION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF UNIVERSITY OF ESSEX STUDENTS' UNION

We have audited the financial statements of University of Essex Students' Union for the year ended 31 July 2010, set out on pages 8 to 22. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the union's members as a body. Our audit work has been undertaken so that we might state to the union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the union and the union's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEE AND AUDITOR

The Trustee's responsibilities for preparing 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 Trustee's responsibilities.

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 Act 1993. We also report to you if, in our opinion, the information given in the Trustees' Annual Report is not consistent with those financial statements, if the charity has not kept sufficient accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Annual 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 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.

UNQUALIFIED OPINION

In our opinion the financial statements:

- 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 2010, 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 Act 1993.

Crowe Clark Whitehill LLP

CROWE CLARK WHITEHILL LLP

Statutory Auditor

Date: *17 November 2010*

UNIVERSITY OF ESSEX STUDENTS' UNION

**INCOME & EXPENDITURE ACCOUNT
for the year ended 31 July 2010**

| | Note | 2010 £ | 2009 £ |
|---|------|-------------|-------------|
| INCOME | | | |
| Grant income | 2 | 794,898 | 619,400 |
| Net trading income | 3 | 562,151 | 482,108 |
| Other income | 4 | 99,323 | 187,778 |
| Summer ball | 5 | 7,590 | (26,154) |
| | | <hr/> | <hr/> |
| | | 1,463,962 | 1,263,132 |
| ADMINISTRATION EXPENSES | | | |
| Central services | 6 | 794,910 | 805,563 |
| Clubs and Societies | 7 | 111,025 | 98,587 |
| Subscriptions and affiliations | 8 | 31,725 | 29,340 |
| Volunteering | 9 | (2,119) | (4,467) |
| Communications | 10 | 135,915 | 119,474 |
| Representation | 11 | 104,824 | 109,469 |
| Welfare and advice centre | 12 | 125,325 | 115,775 |
| Fresher's Week | | 5,717 | 7,292 |
| | | <hr/> | <hr/> |
| | | 1,307,322 | 1,281,033 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| SURPLUS/(DEFICIT) PRIOR TO TRANSFERS | | 156,640 | (17,901) |
| | | <hr/> <hr/> | <hr/> <hr/> |

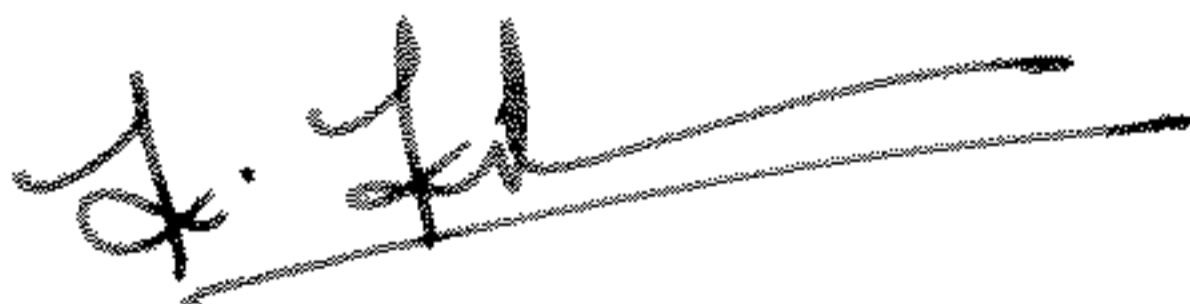
The notes on pages 10 to 22 form part of these financial statements.

UNIVERSITY OF ESSEX STUDENTS' UNION

**BALANCE SHEET
as at 31 July 2010**

| | Note | 2010 £ | 2009 £ |
|--|------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 13 | 2,048,054 | 2,121,155 |
| Fixed asset investments | 14 | 1,861 | 1,860 |
| | | <u>2,049,915</u> | <u>2,123,015</u> |
| CURRENT ASSETS | | | |
| Stocks | 15 | 79,852 | 81,987 |
| Debtors | 16 | 208,079 | 179,094 |
| Cash at bank and in hand | | 282,323 | 250,824 |
| | | <u>570,254</u> | <u>511,905</u> |
| CREDITORS: amounts falling due within one year | 17 | <u>(480,145)</u> | <u>(780,551)</u> |
| NET CURRENT ASSETS/(LIABILITIES) | | <u>90,109</u> | <u>(268,646)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>2,140,024</u> | <u>1,854,369</u> |
| CREDITORS: amounts falling due after more than one year | 18 | <u>(500,000)</u> | <u>(600,000)</u> |
| NET ASSETS | | <u><u>1,640,024</u></u> | <u><u>1,254,369</u></u> |
| CHARITY FUNDS | | | |
| Sports equipment reserve | 23 | 34,024 | 34,798 |
| Capital Grants | 24 | 1,313,629 | 1,083,840 |
| Income and expenditure account | 25 | 292,371 | 135,731 |
| TOTAL FUNDS | | <u><u>1,640,024</u></u> | <u><u>1,254,369</u></u> |

The financial statements were approved by the Trustees on 17/11/10 and signed on their behalf, by:



Kishor Krishnamoorthi
President

The notes on pages 10 to 22 form part of these financial statements.

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2010

1. ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Cash flow statement

The executive committee has taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements.

1.3 Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | | |
|-----------------------------------|---|-----------------------------------|
| Building Developements | - | 5% - 20% per annum straight line |
| Motor vehicles | - | 25% per annum straight line |
| Furniture, fittings and equipment | - | 20% - 33% per annum straight line |

1.4 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.5 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

1.6 Pension costs

The Union participates in Local Government Pension Scheme (LGPS), University of Essex Pension Scheme (UEPS), and for certain employees, the University Superannuation Scheme (USS). Under the schemes, pensions are based on final pensionable salary, and contributions are based on final salary. The union's contributions to the schemes are charged to the Income and Expenditure account so as to spread the cost of the pension over the expected service lives of the employees who are the members of the schemes within participating employers.

The Universities Superannuation Scheme (USS), is a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. The institution is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

1.7 Investments

Investments are stated at cost less any provision for diminution in value.

UNIVERSITY OF ESSEX STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2010**

1. ACCOUNTING POLICIES (continued)

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the statement of financial activities.

1.9 Accounting by charities - Statement of Recommended Practice (SORP)

As a result of its exempt charitable status the union is not required to adopt the SORP in the presentation of the Financial Statements. However, in accordance with the establishment of best practice, where appropriate the union will make disclosures in accordance with the broader principles of the SORP.

1.10 Taxation

No provision is made in these accounts for corporation tax as the union is exempt from such taxes as a result of having derived its charitable status from its parent governing body, University of Essex.

2. GRANTS RECEIVABLE

| | 2010 £ | 2009 £ |
|----------------|----------------|----------------|
| Block Grant | 612,478 | 576,400 |
| Southend grant | 43,800 | 43,000 |
| Sub Zero | 138,620 | - |
| | <u>794,898</u> | <u>619,400</u> |

3. NET TRADING INCOME

| | 2010 Turnover £ | 2010 Surplus/ (deficit) £ | 2009 Turnover £ | 2009 Surplus/ (deficit) £ |
|--------------------------|-----------------------|------------------------------------|-----------------------|------------------------------------|
| Retail operations | 3,717,625 | 622,045 | 3,458,760 | 481,509 |
| Other trading activities | 304,583 | 3,648 | 331,512 | 51,829 |
| Southend Campus | 29,784 | (54,125) | 20,091 | (51,230) |
| Loughton | 4,769 | (9,417) | - | - |
| | <u>4,056,761</u> | <u>562,151</u> | <u>3,810,363</u> | <u>482,108</u> |

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2010

4. OTHER INCOME

| | 2010 £ | 2009 £ |
|--|---------------|----------------|
| Bank interest receivable | - | 4,251 |
| Income from non-commercial departments | 93,668 | 127,459 |
| Management fees | 5,655 | 21,106 |
| Other income | - | 27,962 |
| Rental income | - | 7,000 |
| | <u>99,323</u> | <u>187,778</u> |

5. SUMMER BALL

| | 2010 £ | 2009 £ |
|---------------------|--------------|-----------------|
| Formal ball income | 139,758 | 135,223 |
| Formal ball expense | (132,168) | (161,377) |
| | <u>7,590</u> | <u>(26,154)</u> |

6. CENTRAL SERVICES

| | 2010 £ | 2009 £ |
|---|----------------|----------------|
| Wages and salaries | 545,780 | 452,453 |
| Telephones, printing & stationery | 19,602 | 19,911 |
| Finance expenses and bad debt provision | 18,548 | 6,484 |
| Audit and accountancy | 11,320 | 11,158 |
| Other professional fees | 3,632 | 36,995 |
| Insurance | 29,937 | 41,504 |
| Depreciation | 15,212 | 67,849 |
| Other administration costs | 11,524 | 13,365 |
| Property and equipment | 43,695 | 34,061 |
| Student wages | 46,708 | 51,347 |
| Training and recruitment | 45,641 | 70,352 |
| One off projects | 1,251 | - |
| Travel and conferences | 2,060 | 84 |
| | <u>794,910</u> | <u>805,563</u> |

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2010

7. CLUBS AND SOCIETIES

| | 2010 £ | 2009 £ |
|---|----------------|---------------|
| Administration and Support Costs | | |
| Grants receivable | (4,179) | (10,999) |
| Membership income | (26,623) | (16,567) |
| Insurance | 7,370 | - |
| Telephones and similar office costs | 4,880 | - |
| Finance expenses | 1,502 | 1,349 |
| General overheads | (24,217) | (3,869) |
| Grants to clubs and societies | 37,345 | 27,405 |
| Wages and salaries | 64,390 | 69,653 |
| Sports Federation / BUSA costs | 32,644 | 26,748 |
| Travel and conferences | 455 | 3,814 |
| Student wages | 11,769 | 44 |
| Training and recruitment | 2,051 | 1,009 |
| Bursary pay | 3,638 | - |
| | <u>111,025</u> | <u>98,587</u> |

8. SUBSCRIPTIONS AND AFFILIATIONS

| | 2010 £ | 2009 £ |
|---------------------------------|---------------|---------------|
| AMSU | 800 | 757 |
| NUS | 30,625 | 27,770 |
| National Postgraduate Committee | - | 513 |
| UKCOSA | 300 | 300 |
| | <u>31,725</u> | <u>29,340</u> |

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2010

9. VOLUNTEERING

| | 2010 £ | 2009 £ |
|-----------------------------|----------------|----------------|
| Grants receivable | (35,000) | (47,434) |
| General expenses | 350 | - |
| Telephone and similar costs | 144 | 1,885 |
| Wages and salaries | 29,249 | 28,431 |
| Student wages | (31) | 8,718 |
| Training and recruitment | 41 | 2,432 |
| Travel and motor expenses | 235 | - |
| Volunteer expenses | 2,893 | 1,501 |
| | <u>(2,119)</u> | <u>(4,467)</u> |

10. COMMUNICATIONS

| | 2010 £ | 2009 £ |
|---------------------------|----------------|----------------|
| Income | (56,624) | (59,728) |
| Depreciation | 498 | 1,489 |
| Direct media costs | 48,403 | 45,796 |
| General expenses | 9,630 | 5,972 |
| Student wages | 12,348 | 11,251 |
| Training and recruitment | 32 | 50 |
| Travel and motor expenses | 176 | 338 |
| Wages and salaries | 118,006 | 114,306 |
| Professional fees | 3,446 | - |
| | <u>135,915</u> | <u>119,474</u> |

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2010

11. REPRESENTATION

| | 2010 £ | 2009 £ |
|----------------------------------|----------------|----------------|
| Grants receivable | (2,089) | (2,400) |
| Administration expenses | 2,750 | 12,250 |
| Campaigns | 5,699 | 1,552 |
| Elections | 3,654 | 2,715 |
| Printing, stationery and postage | 927 | 956 |
| Property and equipment | 280 | 748 |
| Training and recruitment | 3,257 | 40 |
| Travel | 6,313 | 3,882 |
| Student wages | 2,851 | 2,978 |
| Wages and salaries | 80,986 | 86,748 |
| Marketing | 196 | - |
| | <u>104,824</u> | <u>109,469</u> |

UNIVERSITY OF ESSEX STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2010**

12. WELFARE AND ADVICE CENTRE

| | 2010 £ | 2009 £ |
|-------------------------------------|----------------|----------------|
| Advice centre | | |
| Income | - | (11,932) |
| Affiliations | 592 | 853 |
| Management fees | - | 800 |
| Telephone and similar costs | 241 | 1,363 |
| Depreciation | 485 | - |
| General expenses | 1,183 | 774 |
| Student wages | 330 | 6,214 |
| Training and recruitment | 173 | 192 |
| Conferences | - | 80 |
| Travel and motor expenses | 460 | 197 |
| Wages and salaries | 80,839 | 74,454 |
| Volunteer expenses | 380 | 467 |
| Property and equipment | - | 1,438 |
| Consultancy fees | 200 | - |
| Marketing | 180 | - |
| Bad debt costs | 50 | - |
| Licence fees | 1,000 | - |
| | <hr/> | <hr/> |
| | 86,113 | 74,900 |
| Vehicles | | |
| Income | (14,024) | (14,973) |
| Property and equipment | 15,860 | 18,114 |
| Student wages | 1,155 | 1,614 |
| Training and recruitment | 150 | - |
| Travel and motor expenses | 13,086 | 16,450 |
| Wages and salaries | 22,985 | 19,503 |
| Printing, postage and similar costs | - | 167 |
| | <hr/> | <hr/> |
| | 39,212 | 40,875 |
| | <hr/> <hr/> | <hr/> <hr/> |
| | 125,325 | 115,775 |

UNIVERSITY OF ESSEX STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2010**

13. TANGIBLE FIXED ASSETS

| | Building Development | Motor vehicles | Furniture, fittings and equipment | Total |
|-----------------------|---------------------------------|-----------------------|--|--------------|
| | £ | £ | £ | £ |
| COST | | | | |
| At 1 August 2009 | 3,878,333 | 15,000 | 425,655 | 4,318,988 |
| Additions | 262,214 | - | 40,511 | 302,725 |
| Disposals | - | (15,000) | - | (15,000) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 July 2010 | 4,140,547 | - | 466,166 | 4,606,713 |
| DEPRECIATION | | | | |
| At 1 August 2009 | 1,799,370 | 15,000 | 383,463 | 2,197,833 |
| Depreciation Charge | 344,055 | - | 31,771 | 375,826 |
| On disposals | - | (15,000) | - | (15,000) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 July 2010 | 2,143,425 | - | 415,234 | 2,558,659 |
| NET BOOK VALUE | | | | |
| At 31 July 2010 | 1,997,122 | - | 50,932 | 2,048,054 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At 31 July 2009 | 2,078,963 | - | 42,192 | 2,121,155 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

14. INVESTMENTS

| | 2010 £ |
|------------------------|-------------|
| COST: | |
| At 1 August 2009 | 1,860 |
| | <hr/> |
| Addition | 1 |
| NET BOOK VALUE: | |
| At 31 July 2010 | 1,861 |
| | <hr/> |
| At 31 July 2009 | 1,860 |
| | <hr/> <hr/> |

At 31 July 2010 the Union 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 | 0.33% |
| A Shares | | 0.41% |
| B Shares | | |
| UESU Limited | Dormant | 100% |

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2010

15. STOCKS

| | 2010 £ | 2009 £ |
|-------|-----------|-----------|
| Shops | 79,852 | 81,987 |

16. DEBTORS

| | 2010 £ | 2009 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 105,770 | 39,132 |
| Other debtors | 21,510 | 68,063 |
| Prepayments and accrued income | 80,799 | 71,899 |
| | <u>208,079</u> | <u>179,094</u> |

17. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2010 £ | 2009 £ |
|--|----------------|----------------|
| Loans and overdrafts | 100,000 | 100,000 |
| Net obligations under finance leases and hire purchase contracts | - | 2,275 |
| Trade creditors | 185,422 | 184,396 |
| Amounts owed to group undertakings | 1 | - |
| Social security and other taxes | 61,319 | 28,583 |
| Other creditors | 53,923 | 33,254 |
| Accruals and deferred income | 79,480 | 432,043 |
| | <u>480,145</u> | <u>780,551</u> |

18. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2010 £ | 2009 £ |
|------------|-----------|-----------|
| Bank loans | 500,000 | 600,000 |

Included within other creditors falling due after more than one year is an amount of £100,000 (2009: £200,000) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS
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18. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

19. CAPITAL COMMITMENTS

At 31 July 2010 the union had capital commitments as follows:

| | 2010 £ | 2009 £ |
|---|----------------|----------------|
| Contracted for but not provided in these financial statements | <u>372,004</u> | <u>237,035</u> |

Capital commitments relate to the SU Bar refurbishment. This project has been fully funded by Capital Grants, £400,000 of which is included in the capital grant reserve as at 31 July 2010.

20. PENSIONS

The Students' Union has three principal pension schemes for employees. These are the Universities Superannuation Scheme (USS), the Local Government Pension Scheme (LGPS), and the University of Essex Pension Scheme (UEPS). The assets of the schemes are held in separate trustee-administered funds. All three schemes are defined benefit schemes and contracted out of the State Earnings-Related Pension Scheme.

The LGPS became a closed scheme in August 1997. The UEPS became a closed scheme in March 2004. Subsequently, all staff who are not members of a pension scheme may join the USS.

Universities Superannuation Scheme

The Universities Superannuation Scheme, is a defined benefit scheme which is externally funded and contracted out of the State Second Pension Scheme (S2P). The assets of the scheme are held in a separate trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if it were a defined contribution scheme. The cost recognised within the surplus/deficit for the year in the income and expenditure account being equal to the contributions payable to the scheme in the year.

The latest actuarial valuation of the scheme was at 31 March 2008. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest) and the rates of increase in salary and pensions. In relation to the past service liabilities the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 6.4% per annum, salary increases would be 4.3% per annum and pensions would increase by 3.3% per annum. In relation to the future service liabilities it was assumed that the valuation rate of interest would be 6.1%, salary increases would be 4.3% per annum and pensions would increase by 3.3% per annum. The valuation was carried out using the projected unit method.

At the valuation date, the market value of the assets of the scheme was £28,842.6m. The assets were sufficient to cover 103% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The institution contribution rate required for future service benefits alone at the date of the valuation was 16% of salaries.

Surpluses or deficits which arise at future valuations may impact on the future contribution commitment. The next formal actuarial valuation is due as at 31 March 2011 when the above rates will be reviewed. The contributions paid into the scheme in respect of eligible employees for the year ended 31 July 2010 amounted to £96,908 (2009 - £89,027).

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2010

20. PENSIONS (continued)

Local Government Pension Scheme

The Students' Union participates in a defined benefit scheme operated by Essex County Council.

Although the Fund is a defined benefit scheme, because University of Essex Students Union, as an Admission Body, is grouped together with the University of Essex, it is not possible to separately identify its share of the underlying assets and liabilities and it is therefore accounted for as a defined contribution scheme.

The most recent valuation took place at 31 March 2007 and has specified the employer rates applicable for the three years from 1 April 2008. The ongoing contribution rate for University of Essex Students Union 2009/10 was 16.30% of pensionable pay. The value of the scheme's assets at 31 March 2007 was sufficient to cover 79.6% of the benefits that had accrued to members. Any payments to meet unfunded benefits which are recharged to University of Essex Students Union, or financial strain payments made by University of Essex Students Union are in addition to the above.

The main actuarial assumptions used in the 2007 valuation are set out below.

| | |
|---------------------------------|-----------------|
| Last actuarial valuation | 31 March 2007 |
| Actuarial method | Projected Unit |
| Investment returns per annum | 6.5% per annum |
| Pension increases per annum | 2.75% per annum |
| Salary scale increase per annum | 4.25% per annum |

The 2007 Valuation determined that the scheme's assets were sufficient to cover 79.6% of the benefits that had accrued to members. The value of the Fund's assets at the 2007 valuation was £3,043m and the value of the liabilities was £3,825m. The past service deficiency was £782m.

Employer's pension contributions charged during the year amounted to £15,871 (2009 - £14,249).

University of Essex Pension Scheme (UEPS)

The Students' Union participates in a defined benefit scheme operated by the University of Essex. The contributions are determined by independent qualified actuaries, on the basis of triennial valuations.

Although the scheme is a defined benefit scheme, because the Students' Union is grouped together with the University itself, it is not possible to separately identify its share of the underlying assets and liabilities and it is therefore accounted for as a defined contribution scheme.

With effect from 1 August 2005, the rate increased to 18%.

The pension costs is assessed every three years in accordance with the advice of a qualified actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

| | |
|---|----------------|
| Last actuarial valuation | 31 July 2007 |
| Actuarial method | Projected Unit |
| Investment returns per annum | 6.6% per annum |
| Pension increases per annum | 3.7% per annum |
| Salary scale increase per annum | 4.7% per annum |
| Market value of assets at date of last valuation (whole fund) | £3,324,164 |

Employer's pension contributions paid by the Students' Union during the year amounted to £16,303 (2009 - £22,032).

UNIVERSITY OF ESSEX STUDENTS' UNION

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2010**

21. OPERATING LEASE COMMITMENTS

At 31 July 2010 the union had annual commitments under non-cancelable operating leases as follows:

| | 2010 £ | 2009 £ |
|-----------------------|---------------|---------------|
| EXPIRY DATE: | | |
| Within 1 year | 2,566 | - |
| Between 2 and 5 years | 32,410 | 32,692 |
| | <u>32,410</u> | <u>32,692</u> |

22. RELATED PARTY TRANSACTIONS

The Union is an exempt charity for the purposes of the Charities Act 1993 deriving charitable status from its governing parent body, the University of Essex. The Union is in receipt of a recurrent grant from the parent body of £646,000 (2009 - £619,400).

In addition the Union occupies its building on a rent free basis under an informal license subject to the union maintaining the building in a good state of repair.

The trustees of the Union 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 £94,037 (2009: £95,410).

23. SPORTS EQUIPMENT RESERVE

| | 2010 £ |
|----------------------|---------------|
| At 1 August 2009 | 34,798 |
| Received in the year | 2,790 |
| Released in the year | (3,564) |
| | <u>34,024</u> |
| At 31 July 2010 | <u>34,024</u> |

24. CAPITAL GRANTS RESERVE

| | 2010 £ |
|----------------------|------------------|
| At 1 August 2009 | 1,083,840 |
| Received in the year | 488,866 |
| Released in the year | (259,077) |
| | <u>1,313,629</u> |
| At 31 July 2010 | <u>1,313,629</u> |

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2010

25. INCOME AND EXPENDITURE ACCOUNT

| | 2010 £ |
|--------------------------------|----------------|
| At 1 August 2009 | 135,731 |
| Surplus for the financial year | 156,640 |
| | <hr/> |
| At 31 July 2010 | <u>292,371</u> |

26. CONTROLLING PARTY

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