

**UNIVERSITY OF ESSEX STUDENTS' UNION**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 July 2008**

# 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 2008

#### **Trustees**

#### **Main Address**

Wivenhoe Park  
Colchester  
Essex  
CO4 3SQ

#### **General Manager**

Antony Blackshaw

#### **Auditors**

Horwath Clark Whitehill LLP  
Chartered Accountants  
Registered Auditors  
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 2008

The Trustees present their annual report together with the audited financial statements of University of Essex Students' Union (the charity) for the year ended 31 July 2008. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### a. CONSTITUTION

The principal object of the charity is to provide.....

#### b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The management of the charity is the responsibility of the Trustee who are elected and co-opted under the terms of the .

#### c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

#### d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

#### e. RISK MANAGEMENT

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

### OBJECTIVES AND ACTIVITIES

#### a. POLICIES AND OBJECTIVES

#### b. STRATEGIES FOR ACHIEVING OBJECTIVES

#### c. ACTIVITIES FOR ACHIEVING OBJECTIVES

#### d. PROGRAMME RELATED INVESTMENTS

### ACHIEVEMENTS AND PERFORMANCE

#### a. REVIEW OF ACTIVITIES

#### b. INVESTMENT POLICY AND PERFORMANCE

#### c. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

### FINANCIAL REVIEW

#### a. RESERVES POLICY

#### b. PRINCIPAL FUNDING

**UNIVERSITY OF ESSEX STUDENTS' UNION**

**TRUSTEES' REPORT (continued)  
for the year ended 31 July 2008**

**c. MATERIAL INVESTMENTS POLICY**

**PLANS FOR THE FUTURE**

**a. FUTURE DEVELOPMENTS**

**FUNDS HELD AS CUSTODIAN**

This report was approved by the Trustees on \_\_\_\_\_ and signed on their behalf, by:

## UNIVERSITY OF ESSEX STUDENTS' UNION

### STATEMENT OF TRUSTEE'S RESPONSIBILITIES for the year ended 31 July 2008

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the union and of the surplus or deficit for that year.

In preparing the financial statements the Trustees are required to select suitable accounting policies, as described on pages 8 to 9, and then apply them on a consistent basis, making judgments and estimates that are prudent and reasonable. The Trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the union will continue to operate.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Union. It is also responsible for safeguarding the assets of the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Risk Management**

The Trustees have undertaken to examine the major risks that the union faces. That review is an integral part of the annual planning cycle. The Union has, and continues to develop, systems to monitor and control these risks in order to mitigate any impact that they have on the union and its operations.

The Trustees are responsible for preparing the annual 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. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity. The Trustees 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 AUDITORS' REPORT TO THE TRUSTEE OF UNIVERSITY OF ESSEX STUDENTS' UNION

We have audited the financial statements of University of Essex Students' Union for the year ended 31 July 2008 ("the financial statements") which comprise the Income and Expenditure Account, the Balance Sheet, and the related notes, set out on pages 6 to 35. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Union and the Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of president and auditors**

The Trustees are responsible for preparing the Trustee's Report and the financial statements.

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

#### **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 judgments made by the Trustee 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:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 July 2008 ("the financial statements") which comprise the Income and Expenditure Account, the Balance Sheet, and the related notes and of its incoming resources and application of resources for the year then ended.

#### **HORWATH CLARK WHITEHILL LLP**

Chartered Accountants & Registered Auditors  
Registered Auditors

Date:

**UNIVERSITY OF ESSEX STUDENTS' UNION**

**INCOME & EXPENDITURE ACCOUNT  
for the year ended 31 July 2008**

	Note	2008 £	2007 £
<b>INCOME</b>			
Block Grant	2	<b>545,959</b>	473,789
Net trading income	3	<b>495,858</b>	468,366
Other income	4	<b>236,266</b>	180,062
Summer ball	5	<b>(297)</b>	(2,994)
		<hr/> <b>1,277,786</b>	<hr/> <b>1,119,223</b>
<b>ADMINISTRATION EXPENSES</b>			
Central services	6	<b>791,315</b>	718,538
Clubs and Societies	7	<b>105,070</b>	91,762
Subscriptions and affiliations	8	<b>24,653</b>	26,332
Volunteering	9	<b>(12,389)</b>	(8,425)
Communications	10	<b>125,435</b>	103,660
Representation	11	<b>81,831</b>	76,621
Welfare and advice centre	12	<b>129,453</b>	126,873
Fresher's Week		<b>14,366</b>	7,500
		<hr/> <b>1,259,734</b>	<hr/> <b>1,142,861</b>
		<hr/> <b>18,052</b>	<hr/> <b>(23,638)</b>
<b>SURPLUS/(DEFICIT) PRIOR TO TRANSFERS</b>			

The notes on pages 8 to 35 form part of these financial statements.

**UNIVERSITY OF ESSEX STUDENTS' UNION**

**BALANCE SHEET  
as at 31 July 2008**

	<b>Note</b>	<b>2008</b>		<b>2007</b>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	13		<b>2,323,203</b>		2,303,314
Fixed asset investments	14		<b>1,860</b>		1,860
			<hr/>		<hr/>
			<b>2,325,063</b>		2,305,174
<b>CURRENT ASSETS</b>					
Stocks	15	<b>95,309</b>		90,599	
Debtors	16	<b>149,343</b>		127,679	
Cash at bank and in hand		<b>19,505</b>		213,020	
		<hr/>		<hr/>	
			<b>264,157</b>		431,298
<b>CREDITORS:</b> amounts falling due within one year	17		<b>(699,389)</b>		(559,115)
			<hr/>		<hr/>
<b>NET CURRENT LIABILITIES</b>			<b>(435,232)</b>		(127,817)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>1,889,831</b>		2,177,357
<b>CREDITORS:</b> amounts falling due after more than one year	18		<b>(703,402)</b>		(815,340)
			<hr/>		<hr/>
<b>NET ASSETS</b>			<b>1,186,429</b>		1,362,017
			<hr/> <hr/>		<hr/> <hr/>
<b>CHARITY FUNDS</b>					
Sports equipment reserve	23		<b>30,209</b>		23,036
Sports Reserve	24		-		35,311
Capital Grants	25		<b>1,002,591</b>		1,190,548
Income and expenditure account	26		<b>153,629</b>		113,122
			<hr/>		<hr/>
<b>TOTAL FUNDS</b>			<b>1,186,429</b>		1,362,017
			<hr/> <hr/>		<hr/> <hr/>

The financial statements were approved by the Trustees on

and signed on their behalf, by:

The notes on pages 8 to 35 form part of these financial statements.

# UNIVERSITY OF ESSEX STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2008

### 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 development	-	10% and 20% per annum straight line
	-	
	-	
Motor vehicles	-	25% per annum straight line
Furniture, fittings and equipment	-	20% to 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 USS is externally funded and is valued at least every three years by a professionally qualified independent actuary using the projected unit method, with the rates of contribution payable being determined by the trustees on the advice of the actuary. Pension costs are assessed in accordance with the advice of the actuary based on the latest actuarial valuation of the scheme and are accounted for on the basis of charging the cost of providing the pensions over the period during which the institutions benefit from the employees' services.

The USS 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.

#### 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 2008**

**1. ACCOUNTING POLICIES (continued)**

**1.8 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.

**1.9 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**

	<b>2008</b>	2007
	<b>£</b>	£
Block Grant	<b>511,959</b>	473,789
Southend grant	<b>34,000</b>	-
	<hr/> <b>545,959</b> <hr/>	<hr/> 473,789 <hr/>

**3. NET TRADING INCOME**

	<b>2008</b>		2007
	<b>Turnover</b>	<b>Surplus/</b>	<b>Surplus/</b>
	<b>£</b>	<b>(deficit)</b>	<b>(deficit)</b>
		<b>£</b>	<b>£</b>
Retail operations	<b>3,224,447</b>	<b>464,294</b>	3,363,978
Other trading activities	<b>352,158</b>	<b>53,654</b>	477,545
Southend Campus	<b>6,549</b>	<b>(22,090)</b>	414,958
	<hr/> <b>3,583,154</b> <hr/>	<hr/> <b>495,858</b> <hr/>	<hr/> - - <hr/> 468,366 <hr/>

**4. OTHER INCOME**

	<b>2008</b>	2007
	<b>£</b>	£
Bank interest receivable	<b>15,738</b>	11,666
Income from non-commercial departments	<b>129,737</b>	98,842
Other income	<b>43,414</b>	33,027
Management fees	<b>40,377</b>	32,277
Rental income	<b>7,000</b>	4,250
	<hr/> <b>236,266</b> <hr/>	<hr/> 180,062 <hr/>

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2008

5. SUMMER BALL

	2008 £	2007 £
Formal ball income	147,903	153,078
Formal ball expense	(148,200)	(156,072)
	<u>(297)</u>	<u>(2,994)</u>

6. CENTRAL SERVICES

	2008 £	2007 £
Wages and salaries	482,343	473,857
Telephones, printing & stationery	23,318	26,104
Finance expenses and bad debt provision	23,508	13,915
Audit and accountancy	11,150	12,389
Other professional fees	40,207	8,138
Insurance	33,355	30,826
Depreciation	11,616	11,903
Other administration costs	2,513	4,148
Property and equipment	38,121	31,940
Student wages	49,396	35,497
Training and recruitment	73,816	66,164
Volunteering	-	142
Travel and conferences	1,972	3,515
	<u>791,315</u>	<u>718,538</u>

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2008

7. CLUBS AND SOCIETIES

	2008 £	2007 £
<b>Administration and Support Costs</b>		
Grants receivable	(15,321)	-
Membership income	(22,295)	(20,272)
Telephones and similar office costs	805	695
Depreciation	167	1,000
Finance expenses	1,319	2,013
General overheads	(1,200)	(11,939)
Grants to clubs and societies	22,538	24,674
Wages and salaries	65,223	47,414
Property and equipment	-	442
Sports Federation / BUSA costs	20,083	9,437
Affiliations	-	6,931
Travel and conferences	30,210	30,855
Student wages	2,853	559
Training and recruitment	30	284
Volunteer expenses	658	(331)
	<u>105,070</u>	<u>91,762</u>

8. SUBSCRIPTIONS AND AFFILIATIONS

	2008 £	2007 £
AMSU	700	650
NUS	23,171	24,692
National Postgraduate Committee	482	490
UKCOSA	300	500
	<u>24,653</u>	<u>26,332</u>

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2008

9. VOLUNTEERING

	2008 £	2007 £
Grants receivable	(49,630)	(55,113)
Administration expenses	-	3,100
Telephone and similar costs	34	189
Wages and salaries	29,830	36,161
Property and equipment	-	530
Student wages	2,292	968
Training and recruitment	1,511	545
Conferences	-	289
Travel and motor expenses	100	437
Volunteer expenses	3,474	4,469
	<u>(12,389)</u>	<u>(8,425)</u>

10. COMMUNICATIONS

	2008 £	2007 £
Income	(51,665)	(39,299)
Depreciation	1,577	1,990
Direct media costs	47,092	48,340
Wages & Salaries	2,921	1,581
Student wages	14,695	5,705
Training and recruitment	67	349
Travel and motor expenses	639	134
Wages and salaries	108,109	84,314
Volunteer expenses	-	546
Professional fees	2,000	-
	<u>125,435</u>	<u>103,660</u>

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2008

11. REPRESENTATION

	2008 £	2007 £
Grants receivable	(5,500)	-
Administration expenses	4,425	1,846
Campaigns	1,147	1,289
Elections	167	867
Printing, stationery and postage	418	1,420
Property and equipment	725	959
Training and recruitment	1,144	4,664
Travel	3,635	5,279
Student wages	2,025	141
Wages and salaries	71,757	60,156
Volunteer expenses	1,888	-
	<u>81,831</u>	<u>76,621</u>

12. WELFARE AND ADVICE CENTRE

	2008 £	2007 £
<b>Advice centre</b>		
Income	(10,525)	(5,000)
Affiliations	904	824
Telephone and similar costs	111	94
Depreciation	2,960	4,440
General expenses	641	218
Student wages	2,576	1,961
Training and recruitment	285	473
Conferences	(310)	860
Travel and motor expenses	166	191
Wages and salaries	94,379	86,233
Volunteer expenses	77	10
Professional fees	1,100	-
Property and equipment	128	-
	<u>92,492</u>	<u>90,304</u>
<b>Vehicles</b>		
Income	(12,913)	(11,947)
Property and equipment	11,171	11,419
Student wages	-	244
Travel and motor expenses	18,401	18,199
Wages and salaries	20,302	18,654
	<u>36,961</u>	<u>36,569</u>
	<u>129,453</u>	<u>126,873</u>

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2008

13. TANGIBLE FIXED ASSETS

	Building Development £	Motor vehicles £	Furniture, fittings and equipment £	Total £
<b>COST</b>				
At 1 August 2007	3,336,321	15,000	367,920	3,719,241
Additions	347,896	-	46,515	394,411
At 31 July 2008	<u>3,684,217</u>	<u>15,000</u>	<u>414,435</u>	<u>4,113,652</u>
<b>DEPRECIATION</b>				
At 1 August 2007	1,083,957	15,000	316,970	1,415,927
Depreciation Charge	329,793	-	44,729	374,522
At 31 July 2008	<u>1,413,750</u>	<u>15,000</u>	<u>361,699</u>	<u>1,790,449</u>
<b>NET BOOK VALUE</b>				
At 31 July 2008	<u>2,270,467</u>	<u>-</u>	<u>52,736</u>	<u>2,323,203</u>
At 31 July 2007	<u>2,252,364</u>	<u>-</u>	<u>50,950</u>	<u>2,303,314</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

14. INVESTMENTS

	£
<b>COST:</b>	
At 1 August 2007 and 31 July 2008	<u>1,860</u>
<b>NET BOOK VALUE:</b>	
At 31 July 2008	<u>1,860</u>
At 31 July 2007	<u>1,860</u>

At 31 July 2008 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	
A Shares		0.33%
B Shares		0.41%

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2008

15. STOCKS

	2008 £	2007 £
Shops	95,309	90,599

16. DEBTORS

	2008 £	2007 £
Trade debtors	53,065	38,377
Other debtors	59,308	51,626
Prepayments and accrued income	36,970	37,676
	<u>149,343</u>	<u>127,679</u>

17. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Loans and overdrafts	199,908	100,000
Net obligations under finance leases and hire purchase contracts	11,938	13,554
Trade creditors	184,338	222,906
Social security and other taxes (see below)	68,679	63,391
Other creditors	138,792	47,829
Accruals and deferred income	95,734	111,435
	<u>699,389</u>	<u>559,115</u>

SOCIAL SECURITY AND OTHER TAXES

	2008 £	2007 £
PAYE/NI control	31,327	28,081
VAT control	37,352	35,310
	<u>68,679</u>	<u>63,391</u>

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

	2008 £	2007 £
Bank loans	700,000	800,000
Net obligations under finance leases and hire purchase contracts	3,402	15,340
	<u>703,402</u>	<u>815,340</u>

Included within other creditors falling due after more than one year is an amount of £300,000 (2007: £400,000) 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  
for the year ended 31 July 2008

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

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2008 £	2007 £
Between one and five years	3,402	15,340

19. CAPITAL COMMITMENTS

At 31 July 2008 the charity had capital commitments as follows:

	2008 £	2007 £
Contracted for but not provided in these financial statements	-	280,000

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 Union participates in the Universities Superannuation Scheme, which is a defined benefit scheme.

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 they were a defined contribution scheme. The cost recognised with the surplus for the year in the Income and Expenditure Account and therefore equal to the contributions payable to the scheme.

The latest complete actuarial valuation of the scheme was 31 March 2005. 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 4.5% per annum, salary increases would be 3.9% per annum and pensions would increase by 2.9% per annum. In relation to the future service liabilities, it was assumed that the valuation rate of interest would be 6.02% per annum.

At the valuation date, the market value of the assets of the whole scheme was £21,740 million and the value of the past service liabilities was £28,308 million leaving a deficit of assets of £6,568 million. The assets therefore were sufficient to cover 77% of the benefits which had accrued to members after allowing for expected future increase in earnings.

The contributions paid into the scheme in respect of eligible employees for the year ended 31 July 2008 amounted to £XX (2007 - £66,654).

**Local Government Pension Scheme**

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2008

20. PENSIONS (continued)

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

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 for the year in the Income and Expenditure Account is therefore equal to the contributions payable to the scheme for the year.

The Essex County Council LGPS is a funded defined benefit scheme with the assets held in separate trustee administered funds. The contribution rates covering both future service and deficiency payments was 24.10% for the Union. Employees contributed 6% throughout the period.

The pensions cost 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 March 2004
Actuarial method	Projected Unit
Investment returns per annum	7.1% per annum
Pension increases per annum	2.8% per annum
Salary scale increase per annum	4.3% per annum
Market value of assets at date of last valuation (whole fund)	£1,916 million

Proportion of members accrued benefits covered by the actuarial value of assets (whole fund) 71.4%.

Employer's pension contributions charged during the year amounted to £x (2007 - £13,159).

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	1 August 2004
Actuarial method	Projected Unit
Investment returns per annum	6.5% per annum
Pension increases per annum	2.9% per annum
Salary scale increase per annum	4.4% per annum
Market value of assets at date of last valuation (whole fund)	£3,324,164

Proportion of members' accrued benefits covered by the actuarial value of assets 93%

Employer's pension contributions paid by the Students' Union during the year amounted to £x (2007 - £28,772).

**UNIVERSITY OF ESSEX STUDENTS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2008**

**21. OPERATING LEASE COMMITMENTS**

At 31 July 2008 the charity had annual commitments under non-cancelable operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>EXPIRY DATE:</b>				
Within 1 year	-	-	<b>4,858</b>	9,770
Between 2 and 5 years	-	-	<b>2,794</b>	3,394
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </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 £528,459 (2007 - £473,789).

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.

**23. SPORTS EQUIPMENT RESERVE**

	<b>2008</b>
	<b>£</b>
At 1 August 2007	<b>23,035</b>
Received in the year	<b>14,320</b>
Released in the year	<b>(7,146)</b>
	<u>          </u>
At 31 July 2008	<b>30,209</b>
	<u>          </u>

**24. SPORTS RESERVE**

	<b>2008</b>
	<b>£</b>
At 1 August 2007	<b>35,311</b>
Transfer to Income and Expenditure Account	<b>(22,455)</b>
At 1 August 2007	<b>-</b>
Released in the year	<b>(12,856)</b>
	<u>          </u>
At 31 July 2008	<b>-</b>
	<u>          </u>

UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2008

25. CAPITAL GRANTS RESERVE

	2008 £
At 1 August 2007	1,190,548
Received in the year	35,000
Released in the year	(222,957)
	<hr/>
At 31 July 2008	<b>1,002,591</b>
	<hr/> <hr/>

26. INCOME AND EXPENDITURE ACCOUNT

	2008 £
At 1 August 2007	113,122
Transfers from other reserves	22,455
Retained surplus for the financial year	18,052
	<hr/>
At 31 July 2008	<b>153,629</b>
	<hr/> <hr/>

27. 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.

**UNIVERSITY OF ESSEX STUDENTS' UNION**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2008**

The following pages do not form part of the audited financial statements which are the subject of the auditors' report on page 5.

Information is provided for the use of the executive committee and senior management team of the University of Essex University.

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UNIVERSITY OF ESSEX STUDENTS' UNION

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2008

TRADING OUTLET

	2008		2007	
	Turnover £	Surplus/ (deficit) £	Turnover £	Surplus/ (deficit) £
Union Bar	448,267	190,089	528,154	153,733
Level 2	289,454	46,349	370,085	36,456
Sub Zero	336,435	(3,080)	338,705	38,438
Top Bar	161,781	995	243,442	52,465
Campus Shop	1,342,550	169,782	1,316,100	154,675
Union Shop	193,014	20,410	205,204	20,753
Book Shop	442	2,622	5,699	(5,866)
Post Office	45,354	(1,420)	44,108	1,686
Go-go Global	47,479	3,152	26,880	2,788
Union Bar Catering	200,976	37,934	180,520	36,628
Café Mondo Catering	102,413	(22,151)	55,896	(29,508)
Vending	56,282	19,612	49,185	15,297
Entertainments	352,158	53,654	414,958	(9,179)
Southend campus	6,549	(22,090)	-	-
	<u>3,583,154</u>	<u>495,858</u>	<u>3,778,936</u>	<u>468,366</u>

SUMMARY OF FUNCTIONS

	£	£	£	£
Bars	1,235,937	234,353	1,480,386	281,092
Shops	1,628,839	194,546	1,597,991	174,036
Catering	303,389	15,783	236,416	7,120
Vending machines	56,282	19,612	49,185	15,297
Entertainments	352,158	53,654	414,958	(9,179)
Southend Campus	6,549	(22,090)	-	-
Total	<u>3,583,154</u>	<u>495,858</u>	<u>3,778,936</u>	<u>468,366</u>

UNIVERSITY OF ESSEX STUDENTS' UNION

DETAILED TRADING ACCOUNTS - Union Bar  
for the year ended 31 July 2008

	2008 £	2007 £
<b>SALES</b>		
Sales	448,267	528,154
Other income	87,326	82,554
	<hr/>	<hr/>
	<b>535,593</b>	<b>610,708</b>
<b>COST OF SALES</b>		
Opening Stock	(1,340)	(9,423)
Purchases	(151,749)	(163,830)
Closing Stock	(859)	1,340
	<hr/>	<hr/>
	<b>153,948</b>	<b>171,913</b>
<b>GROSS SURPLUS</b>	<b>381,645</b>	<b>438,795</b>
Retrospective discounts receivable	9,518	14,507
	<hr/>	<hr/>
<b>GROSS SURPLUS AFTER RETROSPECTIVE DISCOUNTS</b>	<b>391,163</b>	<b>453,302</b>
<b>OPERATING EXPENSES</b>		
Amortisation of capital grant !	(74,996)	-
Telephones and similar costs	319	121
Depreciation of tangible fixed assets	74,500	71,186
Finance expenses	93	11,947
General expenses	13,986	12,447
Property and equipment	32,396	37,839
Student staff	65,716	70,526
Training wages	88,995	95,503
Travel and motor expenses	65	-
	<hr/>	<hr/>
	<b>201,074</b>	<b>299,569</b>
<b>OPERATING SURPLUS</b>	<b>190,089</b>	<b>153,733</b>
	<hr/> <hr/>	<hr/> <hr/>

UNIVERSITY OF ESSEX STUDENTS' UNION

DETAILED TRADING ACCOUNTS - Level 2  
for the year ended 31 July 2008

	2008 £	2007 £
<b>TURNOVER</b>		
Sales	289,454	370,085
Other income	(1,409)	2,492
	<hr/>	<hr/>
	<b>288,045</b>	<b>372,577</b>
<b>COST OF SALES</b>		
Opening stock	3,681	8,387
Purchases	97,333	104,913
Closing stock	(9,466)	(3,681)
	<hr/>	<hr/>
	<b>91,548</b>	<b>109,619</b>
Retrospective discounts receivable	5,835	6,969
	<hr/>	<hr/>
<b>GROSS SURPLUS AFTER RETROSPECTIVE DISCOUNT</b>	<b>202,332</b>	<b>269,927</b>
<b>OPERATING COSTS</b>		
Amortisation if capital grant	(63,462)	(2,718)
Telephones and similar costs	483	1,096
Depreciation of tangible fixed assets	52,202	54,688
Finance expenses	(27)	7,155
General expenses	4,059	8,233
Property and equipment	42,042	31,679
Student staff	66,622	59,406
Trading wages	53,018	72,065
Travel and motor expenses	1,046	1,867
	<hr/>	<hr/>
	<b>155,983</b>	<b>233,471</b>
<b>OPERATING SURPLUS</b>	<hr/> <b>46,349</b> <hr/>	<hr/> <b>36,456</b> <hr/>

**UNIVERSITY OF ESSEX STUDENTS' UNION**

**DETAILED TRADING ACCOUNT - Sub Zero  
for the year ended 31 July 2008**

	2008 £	2007 £
<b>SALES</b>		
Sales	336,435	338,705
Other income	8,953	7,082
	<hr/>	<hr/>
	<b>345,388</b>	<b>345,787</b>
<b>COST OF SALES</b>		
Opening stock	4,530	7,626
Purchases	81,777	94,014
Closing Stock	(4,530)	(4,530)
	<hr/>	<hr/>
	<b>81,777</b>	<b>97,110</b>
	<hr/>	<hr/>
<b>GROSS SURPLUS</b>	<b>263,611</b>	<b>248,677</b>
<b>ADMIN - DIRECTORS COSTS</b>		
Amortisation of capital grant	(37,000)	(29,166)
Telephones and similar costs	231	1,033
Depreciation of tangible fixed assets	135,356	115,413
Finance expenses	51,497	52,212
General expenses	8,145	7,979
Property and equipment	21,044	20,271
Student staff	50,939	33,687
Trading wages	10,536	8,810
Security costs	25,943	-
	<hr/>	<hr/>
	<b>266,691</b>	<b>210,239</b>
	<hr/>	<hr/>
<b>OPERATING (DEFICIT)/SURPLUS</b>	<b>(3,080)</b>	<b>38,438</b>
	<hr/> <hr/>	<hr/> <hr/>

UNIVERSITY OF ESSEX STUDENTS' UNION

DETAILED TRADING ACCOUNTS - Top Bar  
for the year ended 31 July 2008

	2008 £	2007 £
<b>TURNOVER</b>		
Sales	161,781	243,442
Other income	6,834	9,614
	<hr/>	<hr/>
	<b>168,615</b>	<b>253,056</b>
<b>COST OF SALES</b>		
Opening stock	1,004	-
Purchases	57,390	80,918
	<hr/>	<hr/>
Closing stock	58,394 (1,004)	80,918 1,004
	<hr/>	<hr/>
	<b>57,390</b>	<b>81,922</b>
	<hr/>	<hr/>
<b>GROSS SURPLUS</b>	<b>111,225</b>	<b>171,134</b>
Retrospective discounts receivable	3,532	5,073
	<hr/>	<hr/>
<b>GROSS SURPLUS AFTER RETROSPECTIVE DISCOUNT</b>	<b>114,757</b>	<b>176,207</b>
<b>OPERATING EXPENSES</b>		
Telephone and similar costs	66	209
Depreciation of tangible fixed assets	6,691	6,462
Finance expenses	19	97
General expenses	6,535	6,544
Property and equipment	11,624	21,530
Student staff	24,284	30,939
Trading wages	64,543	57,961
	<hr/>	<hr/>
	<b>113,762</b>	<b>123,742</b>
	<hr/>	<hr/>
<b>OPERATING SURPLUS</b>	<b>995</b>	<b>52,465</b>
	<hr/>	<hr/>

UNIVERSITY OF ESSEX STUDENTS' UNION

DETAILED TRADING ACCOUNT - Union Shop  
for the year ended 31 July 2008

	2008 £	2007 £
<b>TURNOVER</b>		
Sales	193,014	205,204
Other income	232	579
	<hr/>	<hr/>
	<b>193,246</b>	<b>205,783</b>
<b>COST OF SALES</b>		
Opening stock	19,216	23,894
Purchases	126,850	132,095
	<hr/>	<hr/>
Closing stock	146,066 (21,504)	155,989 (19,216)
	<hr/>	<hr/>
	<b>124,562</b>	<b>136,773</b>
	<hr/>	<hr/>
<b>GROSS SURPLUS</b>	<b>68,684</b>	<b>69,010</b>
<b>OPERATING EXPENSES</b>		
Telephone and similar costs	225	166
Depreciation of tangible fixed assets	2,109	3,729
Finance expenses	557	150
General expenses	644	289
Property and equipment	1,985	530
Student staff	7,293	7,177
Trading wages	35,461	36,216
	<hr/>	<hr/>
	<b>48,274</b>	<b>48,257</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>OPERATING SURPLUS</b>	<b>20,410</b>	<b>20,753</b>
	<hr/> <hr/>	<hr/> <hr/>

UNIVERSITY OF ESSEX STUDENTS' UNION

DETAILED TRADING ACCOUNT - Bookshop  
for the year ended 31 July 2008

	2008 £	2007 £
<b>TURNOVER</b>		
Sales	442	5,699
Other income	2,647	1,038
	<hr/>	<hr/>
	<b>3,089</b>	<b>6,737</b>
 <b>COST OF SALES</b>		
Opening stock	3,724	-
Purchases	(1,042)	14,875
Closing stock	(2,537)	(3,724)
	<hr/>	<hr/>
	<b>145</b>	<b>11,151</b>
	<hr/>	<hr/>
<b>GROSS SURPLUS/(DEFICIT)</b>	<b>2,944</b>	<b>(4,414)</b>
 <b>OPERATING EXPENSES</b>		
Student staff	308	1,304
Trading wages	14	148
	<hr/>	<hr/>
	<b>322</b>	<b>1,452</b>
	<hr/>	<hr/>
<b>OPERATING SURPLUS\DEFICIT)</b>	<b>2,622</b>	<b>(5,866)</b>
	<hr/> <hr/>	<hr/> <hr/>

UNIVERSITY OF ESSEX STUDENTS' UNION

DETAILED TRADING ACCOUNTS - Post Office  
for the year ended 31 July 2008

	2008 £	2007 £
<b>TURNOVER</b>		
Sales	45,354	44,108
Other income	59,298	52,824
	<u>104,652</u>	<u>96,932</u>
<b>COST OF SALES</b>		
Opening stock	3,724	-
Purchases	31,626	26,864
Closing stock	(2,537)	(3,724)
	<u>32,813</u>	<u>23,140</u>
	<u>71,839</u>	<u>73,792</u>
<b>GROSS SURPLUS</b>		
Retrospective discounts receivable	-	-
<b>OPERATING EXPENSES</b>		
Telephone and similar costs	293	338
Finance expenses	1,016	114
General expenses	5,832	5,519
Property and equipment	71	75
Student staff	3,528	-
Trading wages	62,519	66,060
	<u>73,259</u>	<u>72,106</u>
	<u>(1,420)</u>	<u>1,686</u>
<b>OPERATING (DEFICIT)\SURPLUS</b>		

**UNIVERSITY OF ESSEX STUDENTS' UNION**

**DETAILED TRADING ACCOUNTS - Go-go Global  
for the year ended 31 July 2008**

	2008 £	2007 £
<b>TURNOVER</b>		
Sales	47,479	26,880
<b>COST OF SALES</b>		
Opening stock	-	-
Purchases	29,300	23,546
Closing stock	1,673	(4,704)
	<hr/>	<hr/>
	30,973	18,842
	<hr/>	<hr/>
<b>GROSS SURPLUS</b>	16,506	8,038
<b>OPERATING EXPENSES</b>		
Telephone and similar costs	57	196
Property and equipment	302	77
Student staff	3,708	1,688
Trading wages	9,287	3,289
	<hr/>	<hr/>
	13,354	5,250
	<hr/>	<hr/>
<b>OPERATING SURPLUS</b>	3,152	2,788
	<hr/> <hr/>	<hr/> <hr/>

UNIVERSITY OF ESSEX STUDENTS' UNION

DETAILED TRADING ACCOUNTS - Union Bar Catering  
for the year ended 31 July 2008

	2008 £	2007 £
<b>TURNOVER</b>		
Sales	200,976	180,520
<b>COST OF SALES</b>		
Opening stock	3,598	2,734
Purchases	54,277	45,984
Closing stock	(3,467)	(3,598)
	<u>54,408</u>	<u>45,120</u>
<b>GROSS SURPLUS</b>	<b>146,568</b>	<b>135,400</b>
Retrospective discounts receivable	-	5
<b>OPERATING EXPENSES</b>		
Telephone and similar costs	207	249
Depreciation of tangible fixed assets	-	-
Finance expenses	2,287	1,844
General expenses	4,561	5,400
Property and equipment	39,511	39,872
Student staff	62,068	51,402
Trading wages	-	-
	<u>108,634</u>	<u>98,767</u>
<b>OPERATING SURPLUS</b>	<b><u>37,934</u></b>	<b><u>36,628</u></b>

UNIVERSITY OF ESSEX STUDENTS' UNION

DETAILED TRADING ACCOUNTS - Café Mondo Catering  
for the year ended 31 July 2008

	2008 £	2007 £
<b>TURNOVER</b>		
Sales	102,413	55,896
Other income	-	370
	<u>102,413</u>	<u>56,266</u>
<b>COST OF SALES</b>		
Opening stock	2,174	1,017
Purchases	32,386	24,129
Closing stock	(1,194)	(2,174)
	<u>33,366</u>	<u>22,972</u>
<b>GROSS SURPLUS</b>	<b>69,047</b>	<b>33,294</b>
<b>OPERATING EXPENSES</b>		
Amortisation of capital grant	(25,000)	(25,000)
Telephone and similar costs	1,782	168
Depreciation of tangible fixed assets	32,942	30,943
Finance expenses	-	4,472
General expenses	1,049	1,109
Property and equipment	5,278	7,687
Student staff	40,063	22,240
Trading wages	35,084	21,183
	<u>91,198</u>	<u>62,802</u>
<b>OPERATING DEFICIT</b>	<b>(22,151)</b>	<b>(29,508)</b>

UNIVERSITY OF ESSEX STUDENTS' UNION

DETAILED TRADING ACCOUNTS - Vending  
for the year ended 31 July 2008

	2008 £	2007 £
<b>TURNOVER</b>		
Sales	56,282	49,185
<b>COST OF SALES</b>		
Opening stock	1,553	1,553
Purchases	30,610	28,885
Closing stock	(1,402)	(1,553)
	<hr/> 30,761	<hr/> 28,885
<b>GROSS SURPLUS</b>		
	25,521	20,300
<b>OPERATING EXPENSES</b>		
Property and equipment	1,951	1,268
Student staff	206	75
Trading wages	3,752	3,660
	<hr/> 5,909	<hr/> 5,003
<b>OPERATING SURPLUS</b>		
	<hr/> <u>19,612</u>	<hr/> <u>15,297</u>

**UNIVERSITY OF ESSEX STUDENTS' UNION**

**DETAILED TRADING ACCOUNTS - Entertainments  
for the year ended 31 July 2008**

	2008 £	2007 £
<b>TURNOVER</b>		
Sales	352,158	414,958
<b>COST OF SALES</b>		
Purchases	158,348	183,959
	<hr/>	<hr/>
<b>GROSS SURPLUS</b>	193,810	230,999
<b>OPERATING EXPENSES</b>		
Telephone and similar costs	14,336	5,794
Depreciation of tangible fixed assets	14,585	12,708
Finance expenses	7,236	8,884
General expenses	13,193	10,825
Property and equipment	14,508	67,800
Student staff	25,287	78,619
Trading wages	50,443	54,642
Training and recruitment	20	218
Travel and motor expenses	548	688
	<hr/>	<hr/>
	140,156	240,178
<b>OPERATING SURPLUS/(DEFICIT)</b>	<hr/> <b>53,654</b> <hr/>	<hr/> <b>(9,179)</b> <hr/>

**UNIVERSITY OF ESSEX STUDENTS' UNION**

**DETAILED TRADING ACCOUNTS - Campus Shop  
for the year ended 31 July 2008**

	2008 £	2007 £
<b>TURNOVER</b>		
Sales	1,342,550	1,316,100
Other income	5,319	5,749
	<hr/>	<hr/>
	<b>1,347,869</b>	<b>1,321,849</b>
<b>COST OF SALES</b>		
Opening stock	42,680	27,590
Purchases	936,514	944,378
Closing stock	(44,642)	(42,680)
	<hr/>	<hr/>
	<b>934,552</b>	<b>929,288</b>
	<hr/>	<hr/>
<b>GROSS SURPLUS</b>	<b>413,317</b>	<b>392,561</b>
Retrospective discounts receivable	7,925	9,592
	<hr/>	<hr/>
	<b>421,242</b>	<b>402,153</b>
<b>OPERATING EXPENSES</b>		
Telephone and similar costs	62	3,981
Depreciation of tangible fixed assets	19,570	15,000
Finance expenses	43,272	42,215
General expenses	2,826	4,443
Property and equipment	7,849	19,798
Student staff	57,326	54,422
Trading wages	120,555	107,619
	<hr/>	<hr/>
	<b>251,460</b>	<b>247,478</b>
	<hr/>	<hr/>
<b>OPERATING SURPLUS</b>	<b>169,782</b>	<b>154,675</b>
	<hr/> <hr/>	<hr/> <hr/>

**UNIVERSITY OF ESSEX STUDENTS' UNION**

**DETAILED TRADING ACCOUNTS - Southend Campus  
for the year ended 31 July 2008**

	2008 £	2007 £
<b>SALES</b>		
Sales	6,549	-
Other income	656	-
	<hr/>	<hr/>
	7,205	-
<b>COST OF GOODS SOLD</b>		
Purchases	3,930	-
	<hr/>	<hr/>
<b>OPERATING SURPLUS</b>	3,275	-
<b>ADMIN - DIRECTORS COSTS</b>		
Amortisation of capital grant	(22,500)	-
Administration expenses	940	-
Printing, stationery and postage	2,099	-
Property and equipment	3,990	-
Training and recruitment	804	-
Travel	(2,345)	-
Student wages	1,875	-
Wages and salaries	20,253	-
Depreciation	20,249	-
	<hr/>	<hr/>
	25,365	-
<b>OPERATING (DEFICIT)</b>	<hr/> <hr/>	<hr/> <hr/>
	22,090	-