

UNIVERSITY OF EAST LONDON STUDENTS' UNION
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 JULY 2012

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UNIVERSITY OF EAST LONDON STUDENTS' UNION

YEAR ENDED 31 JULY 2012

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YEAR ENDED 31 JULY 2012

INFORMATION**Charitable status**

The University of East London Students' Union (UELSU) is an unincorporated charity established under the Education Act 1994. It will in due course register as a charity with the Charity Commission. This follows the changes implemented on 1 October 2009 when Students' Unions connected with exempt higher/further education institutions were removed by section 11(9) Charities Act 2006 from the list of exempt charities in Schedule 2 to the Charities Act 1993.

Trustees*Sabbatical officers from 1 July 2011*

President

VP (CASS & HAB), Campaigns Officer

VP (AVA & CITE), Education Officer

VP (Law & Psychology), Welfare Officer

VP (RDBS & HSS), Community & Anti-Racism Officer

Maria Kyriacou

Shakira Akther

Thomas Johnson

Kehinde Okenla

Mohammad Sabuj

University Nominated Trustee

Ray Wilkinson

External Trustees from 1 September 2011

Leon Rogers MBE JP

Ali Akgunes

Student Governor Trustee

Darius Moisa

Principal office

University of East London Students' Union

4-6 University Way

London

E16 2RD

Chief Executive Officer

Mr Mark Grayling, from 9 January 2012

Mr Ross White (21 November 2011 to 13 January 2012)

Ms Andrea Kelmanson (3 October 2011 to 4 November 2011)

Ms Jo Rogers (30 August 2011 to 14 September 2011)

Mr David Miles (interim, to 16 September 2011)

Auditors

Crowe Clark Whitehill LLP

Aquis House

49-51 Blagrove Street

Reading

Berkshire

RG1 1PL

Bankers

Barclays Bank plc

Romford & Barking Group

PO Box 1006

Barking

IG11 8AT

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YEAR ENDED 31 JULY 2012

REPORT OF THE TRUSTEES

The Trustees present their Annual Report for the year ended 31 July 2012, which includes the administrative information set out on page 1, together with the audited accounts for that year.

Structure, governance and management

UELSU is constituted under the Education Act 1994 as a charity (see page 1) with its Constitution dated 2 March 2011 and other internal regulations approved by the governing body of the University of East London (the University). UELSU's charitable Objects under the Act are the advancement of education of Students at the University of East London for the public benefit by:

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

UELSU operates on democratic principles detailed in its Constitution adopted in March 2011.

The Trustees commenced the recruitment of external Trustees in accord with the Constitution and two such Trustees were appointed on 1 September 2011.

The Trustees have delegated the day-to-day running of UELSU to a Chief Executive. In future the Chief Executive will be an employee of the University.

As the charity's trustees, all Trustees receive an induction into their legal and administrative responsibilities, with an ongoing training programme as and when needed for issues arising during their term of office.

The Board of Trustees has a schedule of meetings for the year with at least four meetings planned. In addition the elected Sabbatical Officers meet regularly as a group, with the Chief Executive and as the Leadership Team.

UELSU also employs a number of student and non-student staff for the sake of continuity in the management of its many activities. Those staff are accountable to the Chief Executive for the performance of their duties.

UELSU employs a Chief Executive to work closely with the Trustees and ensure effective management of the charity as head of a management team as follows:-

Interim Chief Executive (to 16 September 2011)	David Miles
Volunteers and Community Engagement Coordinator	Shahida Aslam
Senior Finance Officer	Beverley Crawford
Democratic Services Coordinator	Yousuf Joondan
Advice Services Manager	Lisa Thomas

Relationship with University of East London

The relationship between the University and UELSU is established in the Regulations of the University and the Memorandum of Understanding and is detailed in the UELSU constitution.

UELSU receives a Block Grant from the University and part-occupies buildings owned by the University, which also pays for utilities, services and support staff. This non-monetary support is intrinsic to the relationship between the University and UELSU. As required by the Charities SORP "Accounting and Reporting by Charities", an estimated value to UELSU for these benefits has been included in the accounts totalling £180,000 this year as reported in note 1 of the accounts.

Although UELSU continues to generate a small amount of supplementary funding from various mutual trading activities, it remains dependent on the University's financial and in-kind support.

There exists a memorandum of understanding between UEL and UELSU which underpins the relationship between the two organisations; this includes a section on the allocation of funds based on a block-grant paid to the Union as well as an allocation of suitable premises to operate from.

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YEAR ENDED 31 JULY 2012

Risk Management

The major strategic, business and operational risks faced by UELSU have been examined. A risk register has been established and will be updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces.

Budgetary and internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers and participants on all activities organised by the Union.

The Union Board of Trustees has an Audit Committee to manage risk and review procedures and a Finance Committee to monitor financial performance. The Leadership Team receives and acts upon information derived from monthly management accounts.

These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity. In addition to the external audit process UELSU is also subject to annual Internal Audit review by the University's appointed Internal Auditors.

Aims, objectives and activities

UELSU's mission is 'to enhance the student experience at the University of East London', with the following long-term aims:

- (i) to promote for the public benefit the interests and welfare of students at the University during their course of study and to represent, support and advise UELSU members;
- (ii) to provide appropriate social, cultural and recreational activities and forums for discussion and debate for the personal development of UELSU members; and
- (iii) to be the recognised representative channel between students and the University and also in relation to external bodies.

In pursuit of these aims for the public benefit, UELSU will ensure the diversity of its membership is recognised, valued and supported and has established departments and services for use by its members and to support its work with the University and other organisations on behalf of students.

Achievements and performance

The Union is working hard to restore relationships and a reputation that has been damaged in recent years. We believe that significant improvements were achieved in the second half of 2011/12 but realise that there is still much to do.

During 2011/12 the UELSU Advice Service supported over 2000 individual students on a wide range of academic issues including Appeals, Complaints & Extenuation. We also support and represent students facing Academic Misconduct allegations and Disciplinary matters. We offer an appointment system and drop in sessions to meet the demand of students requiring advice on these issues.

We have commissioned a new administration and database system to help with casework administration and for recording the details of our service users. This will enable us to provide accurate statistics on a variety of different factors and to deliver a service that changes with student trends.

This year UELSU trained 94 Programme Reps, with 18 additional reps continuing who had been trained the year before, resulting in 21%, 116 out of 529 Reps receiving training this year. This was a setback for us as we trained 29% the previous year and our goal is to train at least 50% of Reps.

We saw an increase in the number of students standing in our Sabbatical elections, from 11 in 2010/11 to 16 this year. However, one of the five Sabbatical posts was uncontested and our turnout remained the same as last year at 3%.

We actively promote the benefits of student-led volunteering. UELSU has successfully consolidated links in the local community they include Anchal, MITHN, Community Garden Café, Newham Council, Harold Road Centre, APE Media and many more.

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YEAR ENDED 31 JULY 2012

BALANCE SHEET AS AT 31 JULY 2012

	Note	2012		2011	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10	4,572		6,315	
Investments	11	3,300		3,300	
Total fixed assets			7,872		9,615
CURRENT ASSETS					
Stock of goods for resale		55		55	
Debtors	12	4,400		18,032	
Cash at hand and in bank		106,302		16,738	
Total current assets		110,757		34,825	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	13	84,612		42,477	
Net current assets/(liabilities)			26,145		(7,652)
Net assets/(liabilities)			<u>34,017</u>		<u>1,963</u>
THE FUNDS OF THE CHARITY					
Restricted funds			-		-
Unrestricted funds					
Designated funds	14	4,572		6,315	
General funds	14	29,445		(4,352)	
Total unrestricted funds			34,017		1,963
Total charity funds	14		<u>34,017</u>		<u>1,963</u>

Approved by the trustees and signed on their behalf.



Mohammad Sabuj
President

YEAR ENDED 31 JULY 2012

We have also maintained good relationships and received good support from within UEL including GreenTeam, International Office, Students Services, Chaplaincy and many more.

We support over 60 different societies which are a vital and vibrant part of the student experience at UEL.

Future plans

During 2012/13 we intend to develop a new strategic plan in a process that will include consultation with members and other stakeholders. The firm intention is to focus on the student experience and to create opportunities for our members. We will expand the number of active societies and volunteering opportunities. We will also aim to create opportunities for (paid) internships across the Union. There is also an urgent need to address the Union's democratic deficit.

Financial review

UELSU's gross income from all sources this year totalled £849,376. As a consequence of close control of expenditure of £817,332 on the wide-ranging student benefits we provide as well as the modest fundraising and other revenue-generating activities we undertake, we ended the year with a surplus of £32,054. This improved UELSU's total reserves from £1,963 to £34,017.

UELSU has continued to benefit from the recognition and support of the University, and this year the annual block grant was £600,000.

The Trustees have reviewed UELSU's reserves requirements. The current level of reserves falls well short of our minimum requirement of 40 days' activity costs in hand in order to be able to cope with any unexpected downturn in funding or additional calls on our resources without immediately curtailing activities. In order to build up UELSU's free reserves to the desired level, the Trustees will consider ways of raising additional general-purpose funding. UELSU is currently affiliated to the NUS, for which our total subscription costs amounted to £34,887 for the year and to Advice UK at a cost of £544. No donations were made during the year from UELSU's own resources to any external institutions.

Future funding

The Trustees confirm that UELSU has sufficient funds to meet all its obligations. The Block Grant for 2012/13 has been confirmed at £540,000 and our mutual trading activities are expected to generate similar amounts to those generated in 2011/12. We will also explore potential new sources of income generation.

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Independent Auditor's Report to the Trustees of University of East London Students' Union

We have audited the financial statements of University of East London Students' Union for the year ended 31 July 2012 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes numbered 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 15 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 15 of that Act.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2012 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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YEAR ENDED 31 JULY 2012

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Crowe Clark Whitehill LLP

Statutory Auditor

Aquis House

49-51 Blagrove St

Reading

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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YEAR ENDED 31 JULY 2012

STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	2012 Total Funds £	2011 Total Funds £
INCOMING RESOURCES					
Incoming resource from generated funds					
Voluntary income	1	780,000	-	780,000	620,000
Activities for generating funds	2	21,853	-	21,853	14,072
Incoming resources from charitable activities	3	38,515	9,008	47,523	55,517
Total incoming resources		<u>840,368</u>	<u>9,008</u>	<u>849,376</u>	<u>689,589</u>
RESOURCES EXPENDED					
Charitable activities	4	628,652	9,008	637,660	432,687
Governance costs	4	179,662	-	179,662	120,918
Total resources expended		<u>808,314</u>	<u>9,008</u>	<u>817,322</u>	<u>553,605</u>
Net movement in funds		32,054	-	32,054	135,984
RECONCILIATION OF FUNDS					
Total funds brought forward	14	1,963	-	1,963	(134,021)
Total funds carried forward	14	<u>34,017</u>	<u>-</u>	<u>34,017</u>	<u>1,963</u>

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

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Trustees' responsibilities

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 which give a true and fair view of the state of affairs of the charity as at the end of the year and of its financial activities during the year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards). In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- follow applicable UK Accounting Standards and the Charities SORP, disclosing and explaining any departures in the accounts;
- 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 ensuring that adequate accounting records are maintained that are sufficient to show and explain the charity 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 2011. They are also responsible for safeguarding the assets of the charity and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees and signed on their behalf.



Mohammad Sabuj
President

YEAR ENDED 31 JULY 2012

PRINCIPAL ACCOUNTING POLICIES**Basis of Accounting**

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention in compliance with The Statement of Recommended Practice "Accounting and Reporting by Charities" (the Charities SORP) 2005 and the Charities Act 2011. The students union has taken advantage of the exemption from preparing a cashflow statement within financial reporting standard 1.

Going Concern

The accounts are prepared on a going concern basis, the validity of which depends on the continuing support of the University, which has confirmed that it will continue to provide financial support, either directly or indirectly, in the foreseeable future.

Incoming resources

All income and capital resources are recognised in the accounts when the charity is legally entitled to the income and the amount can be quantified with reasonable certainty. The University's provision of free serviced accommodation for the charity is accounted for as income and matching expenditure for the year at its estimated value to the charity.

Resources expended

Expenditure includes irrecoverable VAT. Charitable expenditure comprises the direct and indirect costs of delivering the charity's objects for public benefit. Governance costs are those incurred in order to achieve compliance with constitutional and statutory requirements. Support costs are allocated to activities pro-rata with the proportion of total direct costs attributable to each activity.

Tangible Fixed Assets

Fixed assets are stated at historical cost. All assets costing more than £1,000 are capitalised. Depreciation of fixed assets is charged commencing with the year of acquisition at the following rates estimated to write off their cost less any residual value over their useful lives.

Motor Vehicle	- 33.33% per annum on cost
Shop and bar improvements	- 25%-33.33% per annum on cost
Clubs' and societies' equipment	- 33.33% per annum on cost
Other equipment	- 10%-15% reducing balance
Fixtures and fittings	- 10%-20% reducing balance

Investments

UELSU's investments are valued at cost as these assets are not readily saleable and a reliable market value for them cannot readily be obtained.

Stocks

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

Pension Costs

The Union participates in the Students' Union Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. Under the terms of 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 union now operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Trading and Other Income

Trading and other income represent amounts received for goods and services from ordinary activities and are stated after discounts and VAT were applicable.

Leases

All leases are operating leases and the annual rentals are charged to the income and expenditure account on a straight line basis over the life of the lease.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are funds set aside by the trustees to be used at their discretion in furtherance of one or more specific purposes in furtherance of the objects.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

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NOTES TO THE ACCOUNTS

1. Voluntary income

	Unrestricted Funds £	Restricted Funds £	2012 Total Funds £	2011 Total Funds £
Block grant	600,000	-	600,000	600,000
Donated services and facilities	180,000	-	180,000	20,000
	<u>780,000</u>	<u>-</u>	<u>780,000</u>	<u>620,000</u>

Donated services and facilities comprise provision by the University of fully serviced space to the Students' Union at a value to the Union estimated at £300 per square metre. The trustees regard this as a more appropriate basis for determining value to the charity than that used in the preceding year, hence the difference as compared to the comparative figure.

2. Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	2012 Total Funds £	2011 Total Funds £
Bank interest received	279	-	279	15
Photocopying and stationery income	637	-	637	608
Advertising income	20,937	-	20,937	13,449
	<u>21,853</u>	<u>-</u>	<u>21,853</u>	<u>14,072</u>

3. Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	2012 Total Funds £	2011 Total Funds £
Bar and shop income	-	-	-	50
Balls and events income	9,129	-	9,129	10,077
Societies income	-	9,008	9,008	15,904
NUS and other income	29,386	-	29,386	29,486
	<u>38,515</u>	<u>9,008</u>	<u>47,523</u>	<u>55,517</u>

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4. Resources expended

	Staff costs £	Other direct costs £	Support costs (note 5) £	2012 Total Funds £	2011 Total Funds £
<i>Charitable activities</i>					
Student Advice	42,631	27,291	101,750	171,672	197,700
Retail	-	7,841	11,410	19,251	12,198
Campaigns and Comms	-	62,296	90,657	152,953	32,357
Democratic Representation	51,758	-	75,321	127,079	-
Events and Entertainments	-	6,121	8,907	15,028	23,656
Clubs, Affiliations	16,174	36,595	89,900	142,669	150,872
Societies (restricted)	-	9,008	-	9,008	15,904
	<u>110,563</u>	<u>149,152</u>	<u>377,945</u>	<u>637,660</u>	<u>432,687</u>
<i>Governance</i>					
Legal and professional fees	-	10,126	-	10,126	23,233
Consultancy fees	-	16,567	-	16,567	43,981
Investigations costs	-	15,201	-	15,201	-
Other governance costs	-	52,327	85,441	137,768	53,704
	<u>-</u>	<u>94,221</u>	<u>85,441</u>	<u>179,662</u>	<u>120,918</u>
	<u>110,563</u>	<u>243,373</u>	<u>463,386</u>	<u>817,322</u>	<u>553,605</u>

The 2012 Governance costs include payment for specialist investigation services and associated legal advice commissioned by the President on two specific matters. These should be viewed as exceptional items of expenditure.

5. Support costs

	Staff costs £	Other direct costs £	2012 Total Funds £	2011 Total Funds £
<i>Charitable activities</i>				
Student Advice	37,689	64,061	101,750	76,155
Retail	4,226	7,184	11,410	4,699
Campaigns and Comms	33,580	57,077	90,657	12,464
Democratic Representation	27,900	47,421	75,321	-
Events and Entertainments	3,299	5,608	8,907	9,112
Clubs, Affiliations	33,300	56,600	89,900	60,442
Societies (restricted)	-	-	-	3,801
	<u>139,994</u>	<u>237,951</u>	<u>377,945</u>	<u>166,673</u>
<i>Governance</i>				
Governance	50,789	34,652	85,441	46,578
	<u>190,783</u>	<u>272,603</u>	<u>463,386</u>	<u>213,251</u>

Included in other direct costs above is donated services and facilities of £180,000 (2011: £20,000) which has been apportioned in line with other support costs as stated in the accounting policy. This relates to the provision by the University of fully serviced space to the Students' Union at a value to the Union estimated at £300 per square metre. The trustees regard this as a more appropriate basis for determining value to the charity than that used in the preceding year, hence the difference as compared to the comparative figure.

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6. Auditors' remuneration

	2012	2011
	Total	Total
	Funds	Funds
	£	£
Current year	10,440	10,020
Prior year	(314)	4,955
	<u>10,126</u>	<u>14,975</u>

7. Wages and salary cost

	2012	2011
	Total	Total
	Funds	Funds
	£	£
Gross wages	295,615	237,796
Employer's national insurance costs	23,735	17,543
Pension costs	6,480	6,136
	<u>325,830</u>	<u>261,475</u>

The average number of employees analysed by function was:

	2012	2011
Management	3	3
Student services	10	8
	<u>13</u>	<u>11</u>

There were no employees with emoluments (excluding employer pension costs) above £60,000 in this or the preceding year

The number of staff to whom retirement benefits are accruing under defined contribution schemes

	2012	2011
Management	1	1
Student services	4	2
	<u>5</u>	<u>3</u>

8. Related party transactions

Each of the five sabbatical officers appointed with effect from 1 July 2011 received remuneration totalling £93,357 in the year under review, as authorised under the charity's governing document, for the work they undertake in furtherance of the charity's objects rather than for carrying out their responsibilities as trustees. The total salary and National Insurance costs for sabbatical officers amounted to £101,447 (2011: £5,954).

Three sabbatical officers were reimbursed travel and subsistence expenses totalling £811 (2011: £458) during the year under review.

9. Tax status

UELSU benefits from the exemptions afforded to charities in respect of taxation on surpluses arising from its charitable activities. No liability for tax therefore arises.

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10. Fixed assets

	Club and societies equipment £	Computer equipment £	Fixtures & fittings £	TOTAL £
<i>Cost</i>				
At 1 August 2011	5,151	20,032	4,646	29,829
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 July 2012	<u>5,151</u>	<u>20,032</u>	<u>4,646</u>	<u>29,829</u>
<i>Depreciation</i>				
Accumulated at 1 August 2011	4,112	16,451	2,951	23,514
Charge for the year	342	1,062	339	1,743
On disposals	-	-	-	-
At 31 July 2012	<u>4,454</u>	<u>17,513</u>	<u>3,290</u>	<u>25,257</u>
Net book value at 31 July 2012	<u>697</u>	<u>2,519</u>	<u>1,356</u>	<u>4,572</u>
Net book value at 31 July 2011	<u>1,039</u>	<u>3,581</u>	<u>1,695</u>	<u>6,315</u>

11. Fixed asset investments

	2012 Total Funds £	2011 Total Funds £
Unlisted shares at cost	60	60
CBS deposit	<u>3,240</u>	<u>3,240</u>
	<u>3,300</u>	<u>3,300</u>

The Union owns 60 'A' shares of £1 each in NUS Services Limited. That company arranges the provision of various purchasing services for Students' Unions.

12. Debtors

	2012 Total Funds £	2011 Total Funds £
Trade debtors	4,035	17,917
Prepayments	250	-
Other debtors	<u>115</u>	<u>115</u>
	<u>4,400</u>	<u>18,032</u>

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13. Creditors

	2012 Total Funds £	2011 Total Funds £
Trade creditors	6,633	17,654
Trade Union Dues	20	20
Accruals	74,146	19,360
Other taxation and social security	72	5,011
Other creditors	3,741	432
	<u>84,612</u>	<u>42,477</u>

14. Analysis of net movement in funds

	Total funds brought forward £	Total incoming resources £	Total resources expended £	Transfers between funds £	Total funds carried forward £
<i>Restricted funds</i>					
Societies funds	-	9,008	(9,008)	-	-
	<u>-</u>	<u>9,008</u>	<u>(9,008)</u>	<u>-</u>	<u>-</u>
<i>Unrestricted funds</i>					
Capital reserve	6,315	-	-	(1,743)	4,572
Total designated funds	6,315	-	-	(1,743)	4,572
General fund	(4,352)	840,368	(808,314)	1,743	29,445
Total unrestricted funds	<u>1,963</u>	<u>840,368</u>	<u>(808,314)</u>	<u>-</u>	<u>34,017</u>
Total funds	<u>1,963</u>	<u>849,376</u>	<u>(817,322)</u>	<u>-</u>	<u>34,017</u>

Societies' restricted funds represent monies raised for use in furtherance of the Societies' particular activities.

The capital reserve designated fund represents funds used for the acquisition of tangible fixed assets. Depreciation on those assets is charged against the designated capital reserve fund.

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YEAR ENDED 31 JULY 2012

15. Pensions

The Union participates in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the scheme closed to future accrual.

The most recent valuation of the scheme was carried out as at 1 October 2010 and showed that the market value of the scheme's assets was £67,141,000 with these assets representing 58% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £47,869,000.

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

The following assumptions applied at 1 October 2010:-

- The investment return would be 6.6% per annum before retirement and 4.6% per annum after retirement
- Pensions accruing on the CARE basis would revalue at 3.2% per annum.
- Present and future pensions would increase at rates specified by scheme rules with appropriate assumptions where these are dependent on inflation.

The 2010 valuation recommended a monthly contribution requirement by each Union expressed in monetary terms intended to clear the ongoing funding deficit over a period of 20 years and will increase by at least 3.2% each year. These contributions also include an allowance for cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2011 and will be formally reviewed following completion of the next valuation due with an effective date of 1 October 2013. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. In addition to the above contributions, the Union also pays its share of the scheme's levy to the Pension Protection Fund.

The contribution rate (excluding deficit contributions) for the period to 30 September 2011 applicable to the Union for the majority of members was 8% of Earnings for members and 7.7% of Earnings for the Union (17.3%/17.55% in aggregate) the exception being in respect of some members who retain a lower normal pension age, for whom the rates are 35.3% and 35.55% respectively of Pensionable Earnings (35.3%/35.55% in aggregate).

For the period 1 October 2011 to 31 July 2012, the Union made monthly payments as part of the deficit reduction plan. This is expected to clear the Union's deficit over the coming 20 years. The cost to the Union of payments in this period was £27,126

Defined Contribution Pension scheme

Since 1 October 2011, all participating employees have been in a new defined contribution pension scheme with Scottish Equitable. Contributions are at the rate of 7.7% for the employer and the % for the employee differs per member. The Union's cost of contribution in the year amounted to £5,448.

The total contributions paid into the scheme by the Union in respect of eligible employees for the year ended 31 July 2012 amounted to £32,574, including deficit contributions. (2011 - £26,617 but this includes a higher proportion of contributions in respect of future accrual).

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