

The University Of Brighton
Students' Union

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 July 2009

The University Of Brighton Students' Union

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2009

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OFFICERS' DECLARATION

We approve the financial statements set out on pages 6 to 14 and confirm that we have made available all accounting records, information and explanations necessary for their preparation and audit.

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Date Approved

The University Of Brighton Students' Union

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2009

REPORT OF THE GENERAL MANAGER FOR THE FINANCIAL YEAR 2008/09

2008/2009 saw a sea-change at the University of Brighton Students' Union. Subsequent to the restructuring in 2007/2008 and the redeployment of staff in both non commercial and trading services, UBSU's portfolio now includes the newly established Student Advocacy & Research Service; a professionally supported Societies Federation; an expanded Marketing & Communications team; longer opening hours at Falmer, Grand Parade and Hastings and a buoyant retail trade.

The Union Review, instigated by 2007/2009 President Phil Gilks as a consequence of the Union's self scrutiny, gained apace. In response to the blue sky thinking undertaken by elected officers and staff in 2007/2008, the Union Review incorporated qualitative and quantitative research in the form of interviews with individual students, open meetings at Falmer and Cockcroft, on-line surveys and externally facilitated focus groups with students, staff and University representatives including academics, senior managers and members of the University Board of Governors. Research was structured within four domains, namely '*Engagement & Participation*', '*Democracy*', '*Accountability*' and '*Officer Roles & Trustees*'. Analysis of the findings has resulted in a rebranding of the Union's frontline services in the name of 'Brighton SU' and a recommendation to Union Council and the AGM that the Union register as a charity with effect August 2010. It is intended that whilst Union business and services will be managed by UBSU's Board of Trustees, Brighton SU's studentcentric policy making will be governed by a commitment to '*Academic Affairs*', '*Activities & Events*', '*Campus & Community*' and '*Wellbeing*'.

UBSU would like to thank Phil Gilks and his fellow outgoing sabbatical, Sam Forster, VP Education & Equalities 2007/2009, for their enthusiasm and commitment to maintaining the momentum of the Union Review from October 2008 through to year end, ensuring that their successors are well positioned to represent the findings and recommendations to Union Council, the AGM, University of Brighton's Student Affairs Committee and the University Board of Governors.

Sincere thanks are again extended to Mark Rylands, Assistant General Manager, and his team Teresa Stoner, Tina Simpson, Martyn Barber and, most recently, Mark Curry who stepped in at short notice to provide professional cover during protracted periods of sickness amongst the support team. The Assistant General Manager is, as a result of the restructuring, also responsible for UBSU's trading portfolio. It is a great credit to Mark's management skills that all the trading managers are now fully engaged with Union business and the figures show our best trading year yet with a turnover in excess of £800,000.

Thanks are due too to Harvey Atkinson, UBSU's Membership Communications Manager and head of non commercial services. Under Harvey's professional guidance Brighton SU's brand has blossomed and income from promotions, advertising, events and sponsorship has continued to exceed expectation; despite the current economic climate. Harvey is now ably assisted by Jackie Rana, whose post as Marketing & Communications Assistant was established as a result of last year's restructuring.

Brighton SU's membership continued to benefit from negotiations between the Union's Executive and the University's Senior Management Team, resulting in an allocation of £180,000 from the segregated fees dedicated to improving the student experience. Projects funded in 2008/09 include establishment of the Societies Assistant and the Marketing & Communications Assistant posts and provision of a salary for a Housing Advice professional within the University's Residence & Catering service; the Union Review and initial rebranding; ongoing support for The Pebble newspaper, sports clubs and societies; continued commitment to Nightline and a range of student wellbeing projects to include Parklife (with SportBrighton), Wellbeing Week (with Student Services) and recycling awareness and '*sustainable champions*' (with the University's Environmental Action Network). Brighton SU also produced a wrap for '*The Leader*', the local free newspaper. This promoted the positive contribution students can make to the local community and was distributed to over 100,000 homes in Brighton & Hove.

UBSU would also like to thank our auditors Baker Tilly for their professional advice in the preparation of these accounts.

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Carolyn Lewis
General Manager

The University Of Brighton Students' Union

REPORTS AND FINANCIAL STATEMENTS

For the year ended 31 July 2009

REPORT OF THE VICE PRESIDENT, COMMUNICATIONS AND FINANCE FOR THE FINANCIAL YEAR 2008/09

After making a deficit in 2007/08 (albeit a budgeted deficit) I find myself in the happy position of reporting on a surplus for the year of £118,550. This figure allows for the increase in Sports Federation resources of £26,466, therefore the surplus for the year as reported in our management accounts is £92,084. The Union budget was set to break even; therefore it has been a great achievement to record such a healthy surplus.

This leaves the Union with a Development Reserve of £109,373 for future development and a General Reserve of £23,000 being made available to support expenditure in 2009/10.

The Sports Federation Reserve is now standing at £44,043; I hope that this will enable us to support any equipment /training requirements they may have in the forthcoming year.

Overall, Union reserves are £250,834 which is a healthy ongoing position. This can be contrasted back to 2003 when the Union had negative reserves of £110,560 and had to make radical changes to balance the books.

TRADING (UNION FUNDS)

The Trading side of the Union (not including Sports Federation – reported below) had a great year overall, making a surplus for the year of £120,609 against a budgeted surplus of £54,665.

Trading Services (Trading Outlets)

In 2007/08 Trading Services had a difficult year reporting an out-turn deficit of £15,105. The turn around in 2008/09 has been amazing with a surplus of £82,509 being achieved against a budgeted surplus of £26,390.

The 2008/09 academic year was the first year that the Union had been purchasing through NUSSL (NUS Services Ltd), after being out of the consortium for a number of years. Whilst there have been a few operational teething problems, it is felt that the better cost control of purchases contributed to improved margins.

Shops

The biggest improvement has been seen in shop trading. The Union's shops recorded a surplus of £84,264 compared to £39,286 in 2008 and were £59,294 up on budget. Sales were up overall by £177,369 on the previous year; which is even more impressive when the fact that 2008 had an additional trading week is taken into account. Although the shop sales do now include the clothing previously attributed to Sports Federation. Margins increased from 26.1% in 2008 to 28.5%, this is due in part to an over generous reduction in selling price on a range of essential stationery items at the start of the 2008 academic year, and partly the re-joining of NUSSL in 2009.

Cockcroft Shop produced a surplus of £36,502 (£16,326 – 2008). The shop had another excellent year with sales improving by £94,168 on the previous year. An improvement in margin from 21.4% to 23.2% meant that this resulted in an improved gross profit of £25,691. Staff and miscellaneous costs were kept in check resulting in the shop being £10,935 up on budget at year end.

Eastbourne Shop produced a surplus of £7,810 (£6,266 – 2008). Sales were £4,365 up on 2008, and margins improved slightly on the previous year. Sales are still primarily sports clothing and now include the sales previously coded to Sports Federation clothing.

Falmer Shop produced its first surplus in three years - £2,198, compared to a deficit of £520 in 2008. Sales improved by £2,790 on 2008. In addition the margin was improved from 23.1% to 25.8%. The shop will be moving to a new location at the start of the 2009/10 academic year, it is hoped that this improvement can be maintained.

Grand Parade Shop produced a surplus of £21,741 (£8,237 – 2008). Sales increased by £30,284 from 2008, which is a huge 23% increase. An improvement in margins from 32.1% to 36.4% meant that this resulted in an improved gross profit of £16,726. Staff and miscellaneous costs were kept in check resulting in the shop being £15,296 up on budget at year end.

Mithras Shop produced a surplus of £16,013 (£8,977 – 2008). Sales were up on the previous year by £45,762, and the margin increased from 29.7% to 32.0%. The returned to opening all day this year, it previously closed at 2.00pm. Overall the shop was £11,088 up on budget at year end.

The University Of Brighton Students' Union

REPORTS AND FINANCIAL STATEMENTS

For the year ended 31 July 2009

Cockcroft Rumblin' Tum Café

The café has recorded a deficit for the second year in succession since it has been refurbished. Sales again decreased considerably on the previous year, reducing by £13,054 from £75,224 to £62,170. For comparison, sales were £93,263 in 2006, although the product range was different then, and it is believed that some sales have been lost to the SU shop. By concentrating more on food prepared in-house the margin has increased from 38.1% in 2008 to 53.4% in 2009. Whilst the café performance financially has been disappointing, the new look café area is proving to be a popular social space for students.

Falmer Retreat Café

The café is due to be demolished in September 2009, so this was its last year in the current location in Uckfield House after being trading for four years. After making cumulative losses of £41,364 in the first three years of trading it is very pleasing to be able to report that the café made a surplus of £117 in its final year.

Other Income

£77,155 was generated in the year (£87,934 – 2008). This heading includes marketing, publications, NUS card and sponsorship income. The reduction of £10,779 is due in part to the loss of handbook advertising due to the withdrawal of the handbook.

Sports Federation

During the year grants amounting to £22,265 were awarded to sports clubs. The Federation has a healthy reserve balance at year end of £44,043 with which to further sport development.

SUBVENTION SERVICES AND ACTIVITIES (UNIVERSITY FUNDS)

The block grant from the University was £661,500 for the year ended 31 July 2009 (£645,100 - 2008).

In addition the Union received two hypothecated (ring fenced) grants - one of £180,000 (£120,000 – 2008) allocated to Students' Union priorities funded from additional top up fees - in the accounts as segregated fees ; and a grant of £20,000 to fund the provision of a Union presence at UCH (this is the third year that this grant has been received). The grants are shown in the accounts when expenditure is incurred and any unspent is carried forward to be matched against future expenditure.

Finally, it is good to be able to say that the Union is still in a solid financial position, after an extremely successful year's trading in our shops. So I would like to say a big thank you to everyone for their efforts this year, and I am looking forward to a successful year in 2009/10.

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Joel Andrews
VP Communications and Finance

The University Of Brighton Students' Union

REPORTS AND FINANCIAL STATEMENTS

For the year ended 31 July 2009

STATEMENT OF EXECUTIVE OFFICERS' RESPONSIBILITIES

The Constitution requires the Executive Officers to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Students' Union and of the surplus or deficit of the Students' Union for that year. In preparing these financial statements, the Executive Officers are required to:

1. Select suitable accounting policies and then apply them consistently.
2. Make judgements and estimates that are reasonable and prudent.
3. State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
4. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Students' Union will continue to operate.

The Executive Officers are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Students' Union. The Executive Officers are also responsible for safeguarding the assets of the Students' Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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President

The University Of Brighton Students' Union

REPORTS AND FINANCIAL STATEMENTS

For the year ended 31 July 2009

INDEPENDENT AUDITOR'S REPORT TO THE EXECUTIVE OFFICERS OF THE UNIVERSITY OF BRIGHTON STUDENTS' UNION

We have audited the financial statements of The University of Brighton Students' Union for the year ended 31 July 2009 on pages 6 to 14.

This report is made solely to the Executive Officers as a body. Our audit work has been undertaken so that we might state to the Executive Officers 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 Executive Officers as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Executive Officers and auditors

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

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 Union's balance sheet and income and expenditure account are in agreement with the accounting records and returns. We also report to you if, in our opinion, the Union has not kept proper accounting records and 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 Union's Executive Officers in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Union'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.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Union as at 31 July 2009 and of its surplus of income over expenditure for the year then ended.

BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
International House
Brighton
East Sussex
BN1 3XE

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The University Of Brighton Students' Union

INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 July 2009

| | <i>Note</i> | 31 July 2009 £ | 31 July 2008 £ |
|--|-------------|-----------------------|---------------------|
| INCOME | | | |
| Subvention grant | | 661,500 | 645,100 |
| Hypothecated grants | | 176,703 | 109,003 |
| Capital grant released | 21 | 3,548 | 3,548 |
| Interest receivable | | 2,036 | 6,762 |
| Other income | | 77,155 | 87,934 |
| Trading outlets – net surplus | | 82,509 | - |
| Entertainments – net surplus | | 10,746 | 8,470 |
| Freshers' Fair – net surplus | | 16,981 | 12,777 |
| Sports Federation – net incoming resources | | 26,466 | - |
| | | <u>1,057,644</u> | <u>873,594</u> |
| EXPENDITURE AND CHARGES | | | |
| University funds | | 690,580 | 704,043 |
| Welfare, clubs and societies | | 4,011 | 9,204 |
| Hypothecated grants | | 176,703 | 109,003 |
| Trading outlets – net deficit | | - | 15,105 |
| Union funds | | 60,540 | 56,430 |
| Sports Federation – net outgoing resources | | - | 5,392 |
| SASS donation | 17 | 7,260 | 6,833 |
| | | <u>939,094</u> | <u>906,010</u> |
| SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR BEFORE TRANSFERS | | <u>118,550</u> | <u>(32,416)</u> |
| Transfer from General Reserve | | - | 40,753 |
| SURPLUS FOR THE FINANCIAL YEAR | 13 | <u><u>118,550</u></u> | <u><u>8,337</u></u> |

All of the activities of the Students' Union are classed as continuing.

The Students' Union has no recognised gains or losses other than the results for the year as set out above.

The University Of Brighton Students' Union

BALANCE SHEET

As at 31 July 2009

| | <i>Note</i> | 31 July 2009 £ | 31 July 2008 £ |
|---|-------------|-------------------|-------------------|
| TANGIBLE ASSETS | | | |
| Union funds | 1 | 24,418 | 23,383 |
| University funds | 1 | 10,050 | 13,598 |
| Investments | 2 | 60 | 60 |
| | | <u>34,528</u> | <u>37,041</u> |
| CURRENT ASSETS | | | |
| Stocks | 3 | 83,834 | 76,902 |
| Debtors and prepayments | 4 | 53,315 | 48,230 |
| Cash at bank and in hand | 5 | 270,221 | 132,042 |
| | | <u>407,370</u> | <u>257,174</u> |
| CREDITORS: Amounts falling due in less than one year | 6 | <u>(181,014)</u> | <u>(148,333)</u> |
| NET CURRENT ASSETS | | <u>226,356</u> | <u>108,841</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>260,884</u> | <u>145,882</u> |
| | | <u>260,884</u> | <u>145,882</u> |
| FINANCED BY: | | | |
| Deferred capital grants | 21 | 10,050 | 13,598 |
| Capital reserve | 8 | 24,418 | 23,383 |
| Contingency reserve | 9 | 50,000 | 50,000 |
| Development reserve | 10 | 109,373 | 30,513 |
| General reserve | 11 | 23,000 | 10,811 |
| Sport Federation reserve | 12 | 44,043 | 17,577 |
| Total Members' Funds | 13 | <u>250,834</u> | <u>132,284</u> |
| | | <u>260,884</u> | <u>145,882</u> |

The financial statements on pages 6 to 14 were approved by the Executive Officers and authorised for issue on 6 October 2009 and were signed on their behalf by:

.....
 Joel Andrews
 VP Communications and Finance

The University Of Brighton Students' Union

ACCOUNTING POLICIES

For the year ended 31 July 2009

The principal accounting policies are set out below.

ACCOUNTING CONVENTION

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

DEPRECIATION

Depreciation is calculated at the following rates which are expected to reduce the cost of the Union's assets to their net realisable values over their estimated useful lives. All rates are determined on a straight-line basis.

| | |
|--|------------------------|
| Equipment, fixtures and fittings | Between 5 and 10 years |
| Bar, catering and shop fixtures and fittings | Over 5 years |
| Computer equipment | Over 3 years |

SUBVENTION GRANT

The subvention grant represents the total amount receivable from the University for the year and is calculated by reference to the total number of full and part-time students of the University.

HYPOTHECATED GRANTS

The hypothecated grants represent grants approved by the University for specific activities and are matched against relevant expenditure in the year. Grants received in advance of expenditure are carried forward as receipts in advance.

CAPITAL GRANTS

Capital grants received during the year are offset against the cost of the related fixed assets acquired, and released to the Income and Expenditure account over the estimated useful life of the assets.

OTHER INCOME

Other income represents the total sales income, excluding VAT, generated from marketing, advertising, sponsorship, stall rental and similar activities for the financial year under review.

INTEREST RECEIVABLE

Interest receivable represents the total amount of interest receivable by the Union for the year.

No provision for Corporation Tax has been made in respect of interest received since the Officers of the Union have received clearance from H M Revenue and Customs that such income is not taxable given the Students' Union's charitable status and objects.

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making allowance for any slow-moving, damaged or obsolete items.

The University Of Brighton Students' Union

ACCOUNTING POLICIES (*continued*)

For the year ended 31 July 2009

RESERVES

The Students' Union has created specific reserves within the balance sheet for the following purposes:

1. Development reserve The balance represents the value of reserves available for future investment.
2. Capital reserve The balance represents the total investment in respect of tangible fixed assets equating with the net book value of these assets at the balance sheet date.
3. Contingency reserve The balance represents the value of reserves set aside in order to meet any contingencies the Union may be called upon to satisfy without adversely affecting the ongoing operation of the Students' Union.
4. Sports Federation reserve The balance represents the value of reserves generated by Sports Federation activities and set aside for future sport development.
5. General reserve The balance represents funds put aside to support future expenditure in 2009/10.

CONTRIBUTIONS TO PENSION FUND

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 University Of Brighton Students' Union

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2009

1. FIXED ASSETS

| | General equipment £ | Shop equipment £ | Café equipment £ | Boats £ | Computers £ | Total £ |
|-----------------------------------|---------------------------|------------------------|------------------------|------------|----------------|----------------|
| COST | | | | | | |
| At 1 August 2008 | 21,622 | 70,227 | 40,246 | - | 31,666 | 163,761 |
| Additions | <u>1,319</u> | <u>6,793</u> | <u>2,765</u> | - | - | <u>10,877</u> |
| At 31 July 2009 | <u>22,941</u> | <u>77,020</u> | <u>43,011</u> | - | <u>31,666</u> | <u>174,638</u> |
| DEPRECIATION | | | | | | |
| At 1 August 2008 | 17,308 | 66,389 | 11,417 | - | 31,666 | 126,780 |
| Charge in the year | <u>1,691</u> | <u>3,213</u> | <u>8,486</u> | - | - | <u>13,390</u> |
| At 31 July 2009 | <u>18,999</u> | <u>69,602</u> | <u>19,903</u> | - | <u>31,666</u> | <u>140,170</u> |
| NET BOOK VALUE | | | | | | |
| At 31 July 2008 | <u>4,314</u> | <u>3,838</u> | <u>28,829</u> | - | - | <u>36,981</u> |
| At 31 July 2009 | <u>3,942</u> | <u>7,418</u> | <u>23,108</u> | - | - | <u>34,468</u> |
| ANALYSIS OF FUNDING | | | | | | |
| Union Funded | 2,753 | 7,418 | 14,247 | - | - | 24,418 |
| University Funded (Capital Grant) | <u>1,189</u> | - | <u>8,861</u> | - | - | <u>10,050</u> |
| At 31 July 2009 | <u>3,942</u> | <u>7,418</u> | <u>23,108</u> | - | - | <u>34,468</u> |

The University Of Brighton Students' Union

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 July 2009

| | | | |
|----|---|----------------|----------------|
| 2. | FIXED ASSET INVESTMENT | | |
| | | 31 July 2009 | 31 July 2008 |
| | | £ | £ |
| | AT COST | | |
| | Union funds | <u>60</u> | <u>60</u> |
| | The investment comprises of 60 'A' ordinary shares of £1 each in NUS Services Limited. | | |
| 3. | STOCKS | | |
| | | 31 July 2009 | 31 July 2008 |
| | | £ | £ |
| | Bar supplies | - | 848 |
| | Café supplies | 1,331 | 2,284 |
| | Shop supplies | 82,503 | 70,182 |
| | Sports Federation supplies | - | 3,588 |
| | | <u>83,834</u> | <u>76,902</u> |
| 4. | DEBTORS AND PREPAYMENTS | | |
| | Southern African Scholarship Scheme | 11,559 | 5,575 |
| | Operating debtors and prepayments | 41,756 | 42,655 |
| | | <u>53,315</u> | <u>48,230</u> |
| 5. | CASH AT BANK AND IN HAND | | |
| | Deposit and current account | 267,846 | 129,842 |
| | Cash in hand and trading floats | 2,375 | 2,200 |
| | | <u>270,221</u> | <u>132,042</u> |
| 6. | CREDITORS AND ACCRUALS | | |
| | Trade and suppliers | 27,483 | 24,603 |
| | Other creditors | 6,851 | 7,401 |
| | Clubs and Societies Funds | 38,732 | 28,595 |
| | PA YE and NIC | 13,179 | 13,106 |
| | Value Added Tax (note 7) | 8,201 | 8,668 |
| | Accruals and deferred income | 86,568 | 65,960 |
| | | <u>181,014</u> | <u>148,333</u> |
| 7. | VALUE ADDED TAX | | |
| a. | The balances due to H M Customs & Excise at 31 July 2009 and 31 July 2008 represent the Students' Union's liability arising in the normal course of business which extends to all trading and other business activities of the Union. | | |
| b. | Irrecoverable VAT represents VAT that is not attributed to Taxable supplies, and is borne as a cost of the Union. This is included within expenditure under the relevant cost centre. | | |

The University Of Brighton Students' Union

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 July 2009

| | | | |
|-----|---|------------------------------|-----------------------|
| 8. | CAPITAL RESERVE | | 31 July 2009 £ |
| | 1 August 2008 | | 23,383 |
| | Transfer from General Reserve (note 11) | | <u>1,035</u> |
| | 31 July 2009 | | <u><u>24,418</u></u> |
| 9. | CONTINGENCY RESERVE | | 31 July 2009 £ |
| | 1 August 2008 and 31 July 2009 | | <u><u>50,000</u></u> |
| 10. | DEVELOPMENT RESERVE | | 31 July 2009 £ |
| | 1 August 2008 | | 30,513 |
| | Transfer from General Reserve (note 11) | | <u>78,860</u> |
| | 31 July 2009 | | <u><u>109,373</u></u> |
| 11. | GENERAL RESERVE | | 31 July 2009 £ |
| | 1 August 2008 | | 10,811 |
| | Retained for the financial year | - University funds (28,525) | |
| | | - Union funds <u>147,075</u> | 118,550 |
| | Transfer to Capital Reserve (note 8) | | (1,035) |
| | Transfer to Development Reserve (note 10) | | (78,860) |
| | Transfer to Sports Federation Reserve (note 12) | | (26,466) |
| | 31 July 2009 | | <u><u>23,000</u></u> |
| 12. | SPORTS FEDERATION RESERVE | | 31 July 2009 £ |
| | 1 August 2008 | | 17,577 |
| | Transfer from General Reserve (note 11) | | <u>26,466</u> |
| | 31 July 2009 | | <u><u>44,043</u></u> |
| 13. | RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS | | |
| | | 31 July 2009 | 31 July 2008 |
| | | £ | £ |
| | Retained for the financial year | 118,550 | 8,337 |
| | Released during the year | - | (40,753) |
| | Opening members' funds | <u>132,284</u> | <u>164,700</u> |
| | Closing members' funds | <u><u>250,834</u></u> | <u><u>132,284</u></u> |

The University Of Brighton Students' Union

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2009

14. SABBATICAL OFFICERS' SALARIES

Sabbatical Officers' salaries for the year amounted to £94,449 (2008 - £88,778). Salary costs are not apportioned to other cost centres. During the year there were five Sabbatical Officers' posts within the Students' Union (2008 - five).

15. AUDIT

| | 31 July 2009 | 31 July 2008 |
|---|--------------|--------------|
| | £ | £ |
| Audit charges, within the total charges for audit and accountancy | <u>9,900</u> | <u>9,700</u> |

16. AFFILIATION FEES

| | 31 July 2009 | 31 July 2008 |
|---|---------------|---------------|
| | £ | £ |
| Affiliation fees charged in the year comprised: | | |
| NUS | 35,664 | 35,777 |
| AMSU | 785 | 837 |
| | <u>36,449</u> | <u>36,614</u> |

17. SOUTHERN AFRICAN SCHOLARSHIP SCHEME

During the year ended 31 July 2009 the Union donated £7,260 to the University of Brighton Southern African Scholarship Scheme (2008 - £6,833).

18. PENSION CONTRIBUTIONS

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 onwards accruing on a Career Average Revalued Earnings (CARE) basis.

The most recent valuation of the Scheme was carried out as at 1 October 2007 and showed that the market value of the Scheme's assets was £56,318,000 with these assets representing 69% 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 £24,901,000.

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 2007:-

- The investment return would be 7.3% per annum before retirement and 5.3% per annum after retirement
- Salaries would increase at 5.2% per annum, equivalent to 2.0% per annum above inflation. 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 2007 Valuation recommended a contribution requirement expressed in two parts: a rate of 17.3% of Earnings (with higher rates in certain circumstances) paying for future accrual, with additional monthly contributions expressed in monetary terms intended to clear the ongoing funding deficit over a period of 15 years.

The University Of Brighton Students' Union

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 July 2009

18. PENSION CONTRIBUTIONS (CONTINUED)

These rates applied with effect from 1 October 2008 and will be reviewed following completion of the next Valuation due with an effective date of 1 October 2010. 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 from 1 October 2008 to 31 July 2009 applicable to this Union for all members is 8.33% of Earnings for members and 9.22% of Earnings for the Union (17.55% in aggregate).

Prior to 1 October 2008, the contribution rates were based on the results of the 2004 actuarial valuation; a rate of 15.7% of Earnings (with higher rates in certain circumstances) paying for future accrual, with additional monthly contributions expressed in monetary terms in respect of the deficit.

The contributions paid into the Scheme by the Union in respect of eligible employees for the year ended 31 July 2009 amounted to £46,174 (2008 - £44,424), including funding deficit contributions.

19. CAPITAL COMMITMENTS

At 31 July 2009 the Union had no capital commitments (2008 - £nil).

20. CONTINGENT LIABILITIES

At 31 July 2009 the Union had no contingent liabilities (2008 - £nil).

21. DEFERRED CAPITAL GRANTS

| | University Funded £ |
|------------------------------------|------------------------|
| 1 August 2008 | |
| General equipment | 1,784 |
| Cafe equipment | 11,814 |
| Released to Income and Expenditure | |
| General equipment | (595) |
| Cafe equipment | (2,953) |
| 31 July 2009 | |
| General equipment | 1,189 |
| Cafe equipment | 8,861 |
| | <hr/> |
| | <u>10,050</u> |

The University Of Brighton Students' Union
MANAGEMENT INFORMATION
For the year ended 31 July 2009

The following management information pages do not form part of the audited financial statements

The University Of Brighton Students' Union
 UNIVERSITY FUNDS – SUMMARY INCOME AND EXPENDITURE ACCOUNT
 For the year ended 31 July 2009

| | Schedule | Note | Actual 31 July 2009 £ | Budget 31 July 2009 £ | Actual 31 July 2008 £ |
|---|----------|------|-----------------------------|-----------------------------|-----------------------------|
| INCOME | | | | | |
| Subvention grant | | | 661,500 | 644,500 | 645,100 |
| Hypothecated grants | | | 176,703 | 176,703 | 109,003 |
| Interest receivable | | | 1,018 | 3,250 | 3,381 |
| Capital Grant Released | | 21 | 3,548 | 3,548 | 3,548 |
| | | | <u>842,769</u> | <u>828,001</u> | <u>761,032</u> |
| EXPENDITURE AND CHARGES | | | | | |
| Sabbatical Officers' salaries | | 14 | 94,449 | 96,725 | 88,778 |
| General operating costs | 1 | | 596,131 | 602,240 | 615,265 |
| Welfare, clubs and societies | 2 | | 4,011 | 12,450 | 9,204 |
| Hypothecated grants - | | | | | |
| Segregated fees costs | 3 | | 155,666 | 155,666 | 95,484 |
| Hastings costs | | | 20,999 | 20,999 | 12,139 |
| BUSCA grants | | | 38 | 38 | 1,380 |
| | | | <u>871,294</u> | <u>888,118</u> | <u>822,250</u> |
| Deficit for the financial year before transfers | | | (28,525) | (60,117) | (61,218) |
| Transfer from General Reserve | | 12 | - | 5,452 | 35,408 |
| Deficit for the financial year | | 8 | <u>(28,525)</u> | <u>(54,665)</u> | <u>(25,810)</u> |

The University Of Brighton Students' Union

UNIVERSITY FUNDS – SCHEDULES TO THE SUMMARY INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 July 2009

1. GENERAL OPERATING COSTS

| | | 31 July 2009 | 31 July 2008 |
|--|-------------|----------------|----------------|
| | <i>Note</i> | £ | £ |
| Staff salaries, National Insurance and recruitment | | 398,098 | 400,120 |
| Training | | 18,887 | 16,773 |
| Pension contributions | | 38,721 | 38,785 |
| Insurance | | 7,624 | 12,043 |
| Printing, postage and stationery | | 4,086 | 4,141 |
| Computer costs | | 5,850 | 6,129 |
| Telephone | | 5,019 | 6,257 |
| Management | | 1,459 | 2,118 |
| Marketing and communications | | 32,937 | 36,421 |
| Travel and conference expenses | | 6,644 | 8,932 |
| Minibus expenses | | 17,000 | 28,039 |
| Election expenses | | 8,374 | 6,378 |
| Office equipment | | 3,470 | 1,082 |
| Affiliation fees | 16 | 36,449 | 36,614 |
| Audit and accountancy fees | 15 | 5,128 | 5,021 |
| Bank charges | | 2,836 | 2,863 |
| Depreciation | | 3,549 | 3,549 |
| | | <u>596,131</u> | <u>615,265</u> |

2. WELFARE, CLUBS AND SOCIETIES

| | | 31 July 2009 | 31 July 2008 |
|--------------------|--|--------------|--------------|
| | | £ | £ |
| Societies | | 389 | 5,000 |
| Welfare activities | | 3,622 | 4,204 |
| | | <u>4,011</u> | <u>9,204</u> |

The University Of Brighton Students' Union

UNIVERSITY FUNDS – SCHEDULES TO THE SUMMARY INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 July 2009

3. SEGREGATED FEES COSTS

| | 31 July 2009 | 31 July 2008 |
|---|----------------|---------------|
| | £ | £ |
| Cockcroft Rumblin' Tum Café redevelopment * | - | 59,500 |
| Societies grants | 14,528 | 5,091 |
| Park Life | 11,000 | 7,000 |
| Pebble newspaper | 21,375 | 8,000 |
| Visual equipment * | - | 1,165 |
| Student learning and development | 108 | 242 |
| DJ equipment * | - | 5,268 |
| Environmental audit | - | 1,646 |
| Housing and advice support | 31,652 | 11,948 |
| Easy panther campaign | - | 590 |
| Nightline | 1,567 | 806 |
| Union awareness | 469 | 1,972 |
| Gimme 5 campaign | - | 3,254 |
| Garden parties | - | 3,770 |
| Recycling awareness | 2,500 | - |
| Wellbeing Week | 9,000 | - |
| Societies administration | 12,356 | - |
| Sports club grants | 20,000 | - |
| STARSS | 4,780 | - |
| Governance review | 16,100 | - |
| Sustainable Champions | 668 | - |
| Officer training | 2,964 | - |
| Brighton Leader – studentification issue | 5,099 | - |
| Union re-branding | 1,500 | - |
| Transferred to Fixed Assets * | - | (14,768) |
| | <u>155,666</u> | <u>95,484</u> |

The University Of Brighton Students' Union
 UNION FUNDS – SCHEDULES TO THE SUMMARY INCOME AND EXPENDITURE
 ACCOUNT
 For the year ended 31 July 2009

| | <i>Schedule</i> | <i>Note</i> | Actual 31 July 2009 £ | Budget 31 July 2009 £ | Actual 31 July 2008 £ |
|---|-----------------|-------------|-----------------------------|-----------------------------|-----------------------------|
| TRADING OUTLETS – NET RESULTS | | | | | |
| Cockcroft Shop | 1 | | 36,502 | 10,935 | 16,326 |
| Eastbourne Shop | 1 | | 7,810 | 3,325 | 6,266 |
| Falmer Shop | 1 | | 2,198 | (660) | (520) |
| Grand Parade Shop | 1 | | 21,741 | 6,445 | 8,237 |
| Mithras Shop | 1 | | 16,013 | 4,925 | 8,977 |
| Cockcroft Rumblin' Tum Café | 2 | | (5,678) | 2,465 | (2,116) |
| Falmer Retreat Café / Bar | 2 | | 117 | (3,410) | (24,289) |
| Amusement and vending machine income | | | 2,588 | 6,000 | 4,767 |
| Bar closure compensation | | | 10,000 | 10,000 | 10,000 |
| Trading Services overheads | | | (8,782) | (13,635) | (42,753) |
| Total trading outlets surplus / (deficit) | | | 82,509 | 26,390 | (15,105) |
| OTHER TRADING INCOME | | | | | |
| Interest receivable | | | 1,018 | 3,250 | 3,381 |
| Other income | | | 77,155 | 74,200 | 87,934 |
| Entertainments income | | | 119,238 | 110,000 | 76,358 |
| Freshers' Fair income | | | 29,843 | 27,500 | 24,573 |
| Sports Federation income | | | 33,665 | - | 81,965 |
| Total net income | | | 343,428 | 241,340 | 259,106 |
| EXPENDITURE AND CHARGES | | | | | |
| General expenditure and other charges | 3 | | 60,540 | 66,700 | 56,430 |
| Entertainments costs | | | 108,492 | 100,500 | 67,888 |
| Freshers' Fair costs | | | 12,862 | 13,135 | 11,796 |
| Sports Federation costs | | | 7,199 | - | 87,357 |
| SASS donation | | 17 | 7,260 | 7,000 | 6,833 |
| Total expenditure | | | 196,353 | 187,335 | 230,304 |
| Surplus for the financial year before transfers | | | 147,075 | 54,005 | 28,802 |
| Transfer from General Reserve | | 12 | - | 660 | 5,345 |
| Sport Federation Reserve movement | | 11 | (26,466) | - | 5,392 |
| Surplus for the financial year | | 8 | 120,609 | 54,665 | 39,539 |

The University Of Brighton Students' Union

UNION FUNDS - SCHEDULE TO THE SUMMARY INCOME AND EXPENDITURE ACCOUNT (*continued*)

For the year ended 31 July 2009

1. SHOP TRADING – YEAR TO 31 JULY 2009

| <i>Note</i> | Cockcroft shop £ | Eastbourne shop £ | Grand Parade shop £ | Mithras shop £ | Falmer shop £ | Total £ |
|-------------------------------|------------------------|-------------------------|---------------------------|----------------------|---------------------|---------------|
| Turnover | 301,360 | 27,100 | 162,929 | 118,627 | 91,431 | 701,447 |
| Costs of sales | (231,311) | (18,049) | (103,687) | (80,617) | (67,845) | (501,509) |
| Gross profit | 23.2% 70,049 | 33.4% 9,051 | 36.4% 59,242 | 32.0% 38,010 | 25.8% 23,586 | 28.5% 199,938 |
| OPERATING COSTS | | | | | | |
| Miscellaneous | 2,273 | 664 | 4,204 | 2,882 | 2,829 | 12,852 |
| Salaries and wages | 31,274 | 577 | 33,297 | 19,115 | 18,559 | 102,822 |
| | 33,547 | 1,241 | 37,501 | 21,997 | 21,388 | 115,674 |
| Operating surplus / (deficit) | 36,502 | 7,810 | 21,741 | 16,013 | 2,198 | 84,264 |

The University Of Brighton Students' Union

UNION FUNDS - SCHEDULE TO THE SUMMARY INCOME AND EXPENDITURE ACCOUNT (*continued*)

For the year ended 31 July 2009

1. SHOP TRADING – YEAR TO 31 JULY 2008

| <i>Note</i> | Cockcroft shop £ | Eastbourne shop £ | Grand Parade shop £ | Mithras shop £ | Falmer shop £ | Total £ |
|-------------------------------|------------------------|-------------------------|---------------------------|----------------------|---------------------|---------------|
| Turnover | 207,192 | 22,735 | 132,645 | 72,865 | 88,641 | 524,078 |
| Costs of sales | (162,834) | (14,932) | (90,129) | (51,254) | (68,190) | (387,339) |
| Gross profit | 21.4% 44,358 | 34.3% 7,803 | 32.1% 42,516 | 29.7% 21,611 | 23.1% 20,451 | 26.1% 136,739 |
| OPERATING COSTS | | | | | | |
| Miscellaneous | 2,023 | 1,073 | 3,723 | 1,835 | 2,129 | 10,783 |
| Salaries and wages | 26,009 | 464 | 30,556 | 10,799 | 18,842 | 86,670 |
| | 28,032 | 1,537 | 34,279 | 12,634 | 20,971 | 97,453 |
| Operating surplus / (deficit) | 16,326 | 6,266 | 8,237 | 8,977 | (520) | 39,286 |

The University Of Brighton Students' Union

UNION FUNDS - SCHEDULE TO THE SUMMARY INCOME AND EXPENDITURE

ACCOUNT (continued)

For the year ended 31 July 2009

2. CAFÉ TRADING

COCKCROFT RUMBLIN' TUM CAFÉ

| | <i>Note</i> | 31 July 2009 £ | 31 July 2008 £ |
|------------------------|-------------|---------------------|---------------------|
| Turnover | | 62,170 | 75,224 |
| Costs of sales | | (28,970) | (46,579) |
| Gross profit | | 53.4% <u>33,200</u> | 38.1% <u>28,645</u> |
| Miscellaneous Income | | 2,175 | 2,026 |
| OPERATING COSTS | | | |
| Miscellaneous | | 3,939 | 2,583 |
| Salaries and wages | | 37,114 | 30,204 |
| | | <u>41,053</u> | <u>32,787</u> |
| Operating deficit | | <u>(5,678)</u> | <u>(2,116)</u> |

FALMER RETREAT CAFÉ / BAR

| | <i>Note</i> | 31 July 2009 £ | 31 July 2008 £ |
|-------------------------------|-------------|---------------------|---------------------|
| CAFÉ TRADING | | | |
| Turnover | | 37,946 | 48,284 |
| Costs of sales | | (20,115) | (33,145) |
| Gross profit | | 46.9% <u>17,831</u> | 31.4% <u>15,139</u> |
| BAR TRADING | | | |
| Turnover | | 2,025 | 37,088 |
| Costs of sales | | (2,133) | (18,835) |
| Gross profit | | -0.05% <u>(108)</u> | 49.2% <u>18,253</u> |
| Miscellaneous Income | | 2,100 | 3,996 |
| OPERATING COSTS | | | |
| Entertainments | | - | 5,537 |
| Miscellaneous | | 2,025 | 4,767 |
| Salaries and wages | | 17,681 | 51,373 |
| | | <u>19,706</u> | <u>61,677</u> |
| Operating surplus / (deficit) | | <u>117</u> | <u>(24,289)</u> |

The University Of Brighton Students' Union

UNION FUNDS - SCHEDULE TO THE SUMMARY INCOME AND EXPENDITURE

ACCOUNT *(continued)*

For the year ended 31 July 2009

3. GENERAL EXPENDITURE AND OTHER CHARGES

| | Note | 31 July 2009 £ | 31 July 2008 £ |
|---|------|-------------------|-------------------|
| Administrative salary and recruitment recharges | | 32,850 | 31,004 |
| Bank charges and miscellaneous expenses | | 12,900 | 11,086 |
| Depreciation - computer | 1 | - | 1,678 |
| Depreciation - general equipment | 1 | 1,095 | 832 |
| Depreciation - shops | 1 | 3,213 | 1,854 |
| Depreciation - cafes | 1 | 5,532 | 4,979 |
| Bad debts and increase in provision | | - | 147 |
| Audit and accountancy costs | 15 | 4,950 | 4,850 |
| | | <hr/> | <hr/> |
| | | 60,540 | 56,430 |
| | | <hr/> <hr/> | <hr/> <hr/> |