

**UNIVERSITY OF STRATHCLYDE
STUDENTS' ASSOCIATION**

REPORT AND FINANCIAL STATEMENTS

For the Year ended 31 July 2006

Charity Number SCO05914

**BAKER TILLY
Chartered Accountants
Glasgow**

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

REPORT AND FINANCIAL STATEMENTS

For the Year ended 31 July 2006

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UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Executive Committee and Association Information

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

Executive (1st July 2006 – 30th June 2007)

Colin Moore : President
Thomasena O' Byrne : Deputy President
Angus Stevenson : President – Sports Union
Katrina McCourt : V.P. Support & Campaigns
Dougal Grimes : V.P. Operational & Commercial Services
John Torley : V.P. Student Development
John Allison : Academic Affairs Officer
Lucy Clark : Equal Opportunities Officer
Lorraine Govan : Clubs & Societies Convenor
Iain Opray : Student Media & Marketing Officer
David Bremner : Jordanhill Officer
Vacancy : Postgraduate Officer
Katy McCloskey : Ex-past President

Executive (1st July 2005 – 30th June 2006)

Katy McCloskey : President
Claire Hill : Deputy President
Matt Bruce : President – Sports Union
Sarah Billingsley : V.P. Advice & Support
Sareta Puri : V.P. Finance & Commercial Services
Kate McKie : V.P. Student Development
Gurjit Singh : Academic Affairs Officer
Thomasena O' Byrne : Equal Opportunities Officer
Lorraine Govan : Convenor of Clubs & Societies
Iain Opray : Convenor of Communications & Marketing

Management Staff

John McCusker – General Manager
Paul Keoghan – Deputy General Manager
Ian McCartney – Member Services Manager
Tony Polden – Commercial Services Manager

Auditors

Baker Tilly
Breckenridge House
274 Sauchiehall Street
Glasgow
G2 3EH

Bankers

National Westminster Bank
14 Blythswood Square
Glasgow
G2 4AQ

Principal Address

90 John Street
Glasgow
G1 1JH

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

President's commentary on the financial statements for the year ended 31 July 2006

The Executive have pleasure in submitting their report and audited financial statements for the year ended 31 July 2006. The financial statements comply with the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities as revised in 2005 and the Charities Accounts (Scotland) Regulations 1992.

Structure, Objectives, Governance and Management

University of Strathclyde Students' Association is constituted under the charter of Strathclyde University. The activities of the Association are governed by its constitution and bye-laws. Those elected by ordinary members to the Student Representative Council (SRC), subject to the Constitution and Schedules of the Association shall represent the Association in all matters affecting its interest and shall administer the finances of the Association.

The policies as laid down in section 4 of the Association's constitution are to achieve the following objectives:

1. The promotion of the general interests of the students and to provide suitable services and amenities for that student body.
2. The running of facilities as club premises for the members of the Association.
3. The provision of a recognised channel of communication between the body of students and the University, other universities, colleges and the public.
4. To represent and advance publicly the views and aspirations of its members towards society in general, whether independently, or in association with organisations with similar views.

The Association general meeting is the most powerful decision making body within the Association. Policy made at an AGM cannot be overturned by a meeting of the SRC or the Executive Committee. Any student can submit a motion to an AGM. As SRC and AGM's can't meet all the time, an Executive Committee is elected to carry out business on behalf of the student membership, make sure policy decisions are implemented and make decisions on behalf of SRC when it can't meet. The Executive are elected directly by the student body in February each year. The Exec is comprised of 6 sabbatical (full-time, paid) officers and 7 part-time (unpaid) student reps, all of whom have different remits. All full-time students can stand for the Executive so there's every opportunity to get involved. Once elected a programme of training activities is done to enhance management and administrative abilities.

Responsibility for day to day matters is delegated to the full time staff, within a clearly understood framework of strategic control.

Connected bodies

The Association has no formal links or associations with other charitable bodies but works in partnership with other Student Unions and the National Union of Students to promote issues important to students and the wider community. The Association maintains close links with the University. Details of related party transactions are given in note 20.

Risk Management

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

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

President's commentary on the financial statements for the year ended 31 July 2006

Achievements, Performance and Financial Review

The financial year ending 31st July 2006 was a successful one for the Association. Commercial revenue was stable and at the year-end had provided a surplus of over £17k against a budgeted loss. The commercial performance however continues to be affected by a combination of increased competition in the local area and other demands on students' time. Overall the Association had a surplus of £39,853 in the year (2005 £7,634), with the restructuring costs over the last two years, starting to bear fruit. The turnover of the Association fell from £3.7m down to £3.4m with the fall being primarily due to the decision to let out the retail units rather than operate them directly. The staff involved in these activities were TUPE'd over to the new operators of the premises. Operating costs fell from £3.7m to £3.4m for the same reason. The balance sheet position of the Association continues to be acceptable with reserves of £742k (2005 £703k). The Executive recognises that with the demands placed on the Association, and increasing costs such in the areas of salaries and pensions, there is a need to increase the reserves to maintain the long term viability of the Association.

The Union was recognised in May as the UK winner of the NUS Services Ltd. "Best Bar None" award. This accolade is awarded to the student union with best practices in corporate social responsibility. The well-being and safety of the Association's customers are paramount, and it is expected that USSA will be at the forefront of responsible drinking in the future.

As in previous years the contribution made to the Association by its volunteers is immeasurable. This year saw the introduction of a new award, the Strathclyde Volunteer Award, a University accredited certificate, awarded to students who spend 50, 100, 200 hours volunteering in the Association, in recognition of their efforts in an increasingly time-poor environment for students.

Other achievements over the year included a constitutional review and change of Executive positions in order to comply with new charity law; the first year of online voting for the Executive, which resulted in an increased turnout and which might provide some income as the system is sold to other unions; recognition of the Association as a training centre for Servewise, REHIS and Scottish Vocational Qualifications; and the Association also played host to both the First Minister and Deputy First Minister of Scotland.

Plans for the Future

In the year ahead the Association will continue to improve efficiencies to ensure commercial contribution remains strong within a challenging environment. It hopes to achieve this through the diversification of its range of entertainments and services. It will also deliver its new strategic plan 2007-2010, which will continue to focus on providing Leading Edge Student Services, Excellence in Personal Development and Success through Partnership.

Reserves Policy

The Association has a range of unrestricted and restricted reserves. The restricted reserves are held for specific purposes for which the funds were granted. The unrestricted reserves represent the free reserves of the Association. The Executive would wish to build these reserves to a position where they cover four months resources expended in order to cover fluctuations in funding and costs.

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

**President's commentary on the
financial statements for the year ended 31 July 2006**

Auditors

The Auditors, Baker Tilly, have expressed their willingness to continue in office and a resolution proposing their re-appointment will be put to the Annual General Meeting.

Colin Moore
President

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Executive Responsibilities

Year ended 31 July 2006

The Executive Committee is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that year.

In preparing the financial statements the Executive Committee is required to select suitable accounting policies, as described on pages 12 to 14, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Executive Committee must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue to operate.

The Executive Committee is responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the Association and to ensure that the financial statements comply with the Law Reform (Miscellaneous Provisions) Scotland Act 1990 and the Charities Accounts (Scotland) Regulations 1992. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Colin Moore
President

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Auditors' Report to the members

Year ended 31 July 2006

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

We have audited the financial statements on pages 8 to 24 of the University of Strathclyde Students' Association for the year ended 31 July 2006. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the association's members, as a body, in accordance with the Charities Accounts (Scotland) Regulations 1992. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of committee members and auditors

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

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

We have read the President's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Association in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Auditors' Report to the members

Year ended 31 July 2006

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 Association as at 31 July 2006 and of its incoming resources and application of resources in the year then ended and have been prepared in accordance with the Law Reform (Miscellaneous Provisions) (Scotland Act) 1990, Charities Accounts (Scotland) Regulations 1992 and the Constitution of the Association.

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274 Sauchiehall Street
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G2 3EH

BAKER TILLY
Chartered Accountants
& Registered Auditors

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Summary statement of financial activities for the year ended 31 July 2006

	Unrestricted Funds	Restricted Funds	2006 Total	2005 Total
	£	£	£	£
<i>Incoming Resources from generated funds:</i>				
Commercial and other services	2,011,861	-	2,011,861	2,393,832
Association general and marketing	164,155	-	164,155	136,272
Interest received	31,316	-	31,316	32,529
<i>Incoming Resources from charitable activities</i>				
Grant from University	1,184,160	-	1,184,160	1,102,800
Sports Union and Clubs	-	40,935	40,935	107,867
Total Incoming Resources	3,391,492	40,935	3,432,427	3,772,300
Resources Expended				
<i>Cost of generating funds</i>				
- Fundraising trading	1,914,378	-	1,914,378	2,275,957
<i>Charitable activities</i>				
- Sports Union and Clubs	-	174,813	174,813	230,859
- Membership and welfare services	1,297,163	-	1,297,163	1,249,078
<i>Governance costs</i>	6,490	-	6,490	8,772
	3,218,031	174,813	3,392,844	3,764,666
	173,461	(133,878)	39,583	7,634
Fund transfers	(155,852)	155,852	-	-
Net (outgoing)/incoming resources	17,609	21,974	39,583	7,634
Fund balance brought forward at 1 August 2005	611,264	91,918	703,182	695,548
Fund balance brought forward at 31 July 2006	628,873	113,892	742,765	703,182

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Income and expenditure account for the year ended 31 July 2006

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2006 £	Total 2005 £
Income					
Grant from University		1,184,160	-	1,184,160	1,102,800
Commercial services' trading income	2	2,011,861	-	2,011,861	2,392,832
Conferences	4	607	-	607	-
Association general	4	112,733	-	112,733	82,601
Membership Services	4	1,661	-	1,661	1,157
Marketing	4	49,154	-	49,154	52,514
Sports Union	5	-	28,952	28,952	94,548
Clubs & Societies	5	-	11,983	11,983	13,319
		<u>3,360,176</u>	<u>40,935</u>	<u>3,401,111</u>	<u>3,739,771</u>
Expenditure					
Direct charitable expenditure:					
Commercial services' trading costs	3	1,796,944	-	1,796,944	2,183,662
Sabbaticals	4	94,692	-	94,692	87,200
Membership services expenditure	4	76,878	-	76,878	68,399
Ask 4	4	69,501	-	69,501	59,262
Democratic Services	4	65,238	-	65,238	29,328
SRC departments	6	31,218	-	31,218	26,750
Sports union	5	-	143,154	143,154	204,883
Clubs & societies	5	-	31,659	31,659	25,976
Other expenditure:					
Association general	4	326,887	-	326,887	244,634
Finance	4	190,720	-	190,720	185,189
Information Technology	4	76,909	-	76,909	90,705
Personnel	4	54,191	-	54,191	92,284
Facilities Management	4	317,419	-	317,419	328,738
Marketing	4	117,434	-	117,434	92,295
		<u>3,218,031</u>	<u>174,813</u>	<u>3,392,844</u>	<u>3,719,305</u>
Surplus/(deficit) on activities		142,145	(133,878)	8,267	20,466
Staff Restructure Costs		-	-	-	(45,361)
Interest received		<u>31,316</u>	<u>-</u>	<u>31,316</u>	<u>32,529</u>
Net (outgoing)/incoming resources before transfers	16	173,461	(133,878)	39,583	7,634
Transfer to restricted funds	16	<u>(155,852)</u>	<u>155,852</u>	<u>-</u>	<u>-</u>
Net incoming resources		17,609	21,974	39,583	7,634
Fund balance brought forward at 1 August 2005		<u>611,264</u>	<u>91,918</u>	<u>703,182</u>	<u>695,548</u>
Fund balance carried forward at 31 July 2006		<u>628,873</u>	<u>113,892</u>	<u>742,765</u>	<u>703,182</u>

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

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Balance sheet as at 31 July 2006

	Note	2006	2005
		£	£
Fixed assets			
Tangible assets	10	267,429	243,953
Investments (at cost)	11	<u>5,828</u>	<u>5,828</u>
		<u>273,257</u>	<u>249,781</u>
Current assets			
Stock	12	29,974	48,452
Debtors	13	145,635	110,924
Deposit		9,026	9,026
Cash at bank and in hand		<u>772,301</u>	<u>652,039</u>
		<u>956,936</u>	<u>820,441</u>
Creditors: amounts falling due within one year	14	<u>487,428</u>	<u>367,040</u>
Net current assets		<u>469,508</u>	<u>453,401</u>
Net assets		<u>742,765</u>	<u>703,182</u>
Funds			
Unrestricted funds	15	628,873	611,264
Restricted funds	16	<u>113,892</u>	<u>91,918</u>
Total funds		<u>742,765</u>	<u>703,182</u>

The financial statements were approved by the Executive on
by:

and signed on behalf of the Association

Colin Moore
President

Date:

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Cash flow statements for the year ended 31 July 2006

	Note	2006	2005
		£	£
Net cash inflow from operating activities	18	348,205	392,304
Returns on investment and servicing of finance		31,316	32,529
Capital expenditure		(259,259)	(73,830)
Increase in cash for the year	19	<u>120,262</u>	<u>351,003</u>
 Reconciliation of net cash flow to movement in net debt			
	Note	2006	2005
		£	£
Increase in cash for the year	19	<u>120,262</u>	<u>351,003</u>
Movement in net funds in the period		120,262	351,003
Net funds at 1 August 2005		661,065	310,062
Net funds at 31 July 2006	19	<u>781,327</u>	<u>661,065</u>

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Notes to the financial statements

For the year ended 31 July 2006

1. Accounting policies

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

Turnover

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

Stocks

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

Investments

Investments are included at cost price.

Fixed assets

Fixed assets are categorised under three main headings as follows:

Equipment
Furniture and fittings
Building additions/improvements

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

Depreciation

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

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

A full year's depreciation is charged in the year of acquisition with the exception of capital work in progress, which is not depreciated until the asset comes into use.

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Notes to the financial statements

For the year ended 31 July 2006

Leased assets

Where assets are financed by leasing agreements, which give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Depreciation on assets acquired under finance leases is charged to the income and expenditure account to write the assets off over their expected useful lives.

Lease payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account using the straight line method.

Grants

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

Pension costs

The Association offers three defined benefit pension schemes for certain employees. The main scheme is the University Superannuation Scheme and the others being the Students Union Superannuation Scheme and the Local Government Pension Scheme. The local government scheme and the University Superannuation Scheme are administered by the University of Strathclyde and these are referred to in their financial statements.

The Student Union Superannuation Scheme is a defined benefit scheme which is externally funded and contracted out of the State Second Scheme. The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. The scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence, no share of the underlying assets and liabilities can be directly attributed to the Union. Under the terms of FRS17, in these circumstances contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions paid through the year.

Taxation

No provision is made in these accounts for corporation tax, as the Association is exempt from such taxes as its activities are recognised as charitable.

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Notes to the financial statements

For the year ended 31 July 2006

Funds

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

The general fund, commercial reserve and non-commercial reserve represents the free reserves of the charity, which are not designated for particular purposes.

The Sports Union Fund; the Clubs Fund and the Sub Aqua Fund have are restricted to specific purposes.

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Notes to the financial statements

For the year ended 31 July 2006

2. Commercial Services' Turnover

	2006	2005
	£	£
Bar	1,284,48	1,287,38
	5	3
Food	340,581	351,947
Games	207,814	237,949
Entertainment	97,867	72,607
Retail	-	363,405
Other	81,114	79,541
	<u>2,011,86</u>	<u>2,392,83</u>
	<u>1</u>	<u>2</u>

3. Commercial Services' Trading Costs

	2006	2005
	£	£
Cost of sales	568,239	819,614
Staff related costs	733,015	801,132
General Admin & building costs	255,457	315,455
Commercial related costs	208,181	207,462
Student related cost	32,052	39,999
	<u>1,796,94</u>	<u>2,183,66</u>
	<u>4</u>	<u>2</u>

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Notes to the financial statements

For the year ended 31 July 2006

4. Unrestricted Income & Expenditure

	2006						2005	
	Income £	Staff Related Costs £	General Admin & Building Costs £	Student Related Costs £	Commercial Related Costs £	Total Costs £	Net Surplus/ (Deficit) £	Net Surplus/ (Deficit) £
Conferences	607	-	-	-	-	-	607	-
Association General	112,733	127,726	193,907	-	5,254	326,887	(214,154)	(162,033)
Finance	-	132,137	58,280	-	303	190,720	(190,720)	(185,189)
IT	-	54,786	22,123	-	-	76,909	(76,909)	(90,705)
Democratic Services	-	29,429	35,809	-	-	65,238	(65,238)	(29,328)
Ask 4	-	50,561	18,139	772	29	69,501	(69,501)	(59,262)
Personnel	-	51,190	3,001	-	-	54,191	(54,191)	(92,284)
Facilities Management	-	137,453	179,895	-	71	317,419	(317,419)	(328,738)
Sabbaticals	-	88,345	5,988	192	167	94,692	(94,692)	(87,200)
Membership Services	1,661	69,911	5,487	1,480	-	76,878	(75,217)	(67,242)
Marketing	49,154	57,175	38,849	21,353	57	117,434	(68,280)	(39,781)
Total	164,155	798,713	561,478	23,797	5,881	1,389,869	(1,225,714)	(1,141,762)

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Notes to the financial statements

For the year ended 31 July 2006

5. Restricted income & expenditure

	Income	2006					2005	
		Staff Related Costs	General Admin & Building Costs	Student Related Costs	Commercial Related Costs	Society Costs	Total Costs	Net Surplus/ (Deficit)
	£	£	£	£	£	£	£	£
Sub Aqua Fund	-	-	-	-	-	-	-	-
Sports union	28,952	59,985	29,940	-	41	53,188	143,154	(114,202)
Clubs	11,983	12,729	8,753	319	6,961	2,897	31,659	(19,676)
Total	40,935	72,714	38,693	319	7,002	56,085	174,813	(133,878)
								(129,392)

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Notes to the financial statements

For the year ended 31 July 2006

6. SRC

	2006	2005
	£	£
Rag	2,166	2,038
Debates	5,885	4,838
Cactus	1,552	2,345
Overseas students	-	1
Lesbian, gay, bisexual	1,956	1,569
Postgraduates	1,272	605
Mature students	1,605	978
Campaigns	1,526	2,138
Training Team	1,070	1,375
Women's group	124	465
Telegraph	5,186	4,068
Fusion FM	1,016	3,375
Nightline	2,230	(1,453)
Student Development	30	68
Marketing Team	908	1,190
Halls	3,043	1,829
Equal Opportunities	43	-
Student with Disabilities	143	-
Student Activities	213	-
Film & Doc Society	1,250	1,321
Net Cost	<u>31,218</u>	<u>26,750</u>

7. Trading surplus is stated after charging:

Auditor's remuneration	<u>6,490</u>	<u>8,772</u>
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UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Notes to the financial statements

For the year ended 31 July 2006

	2006	2005
	£	£
8. Emoluments		
Wages and salaries	1,407,926	1,247,520
Social security costs	84,896	83,791
Pension costs	<u>89,794</u>	<u>85,179</u>
Total emoluments amounted to	<u>1,582,616</u>	<u>1,416,490</u>
Average number of employees during the year	<u>125</u>	<u>130</u>

No member of staff earns emoluments over £60,000.

9. Pension Contributions

The Union participates in the Students Union Superannuation Scheme, a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country. Benefits in respect of service up to 30 September 2003 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 scheme operates as a pooled arrangement, with contributions paid at a centrally agreed rate. As a consequence no share of the underlying assets and liabilities can be directly attributed to the Union. Under the terms of FRS17, in these circumstances contributions are accounted for as if the scheme were a defined contribution scheme based on actual contributions paid through the year.

The most recent valuation of the scheme was carried out as at 1 October 2004 and showed that the market value of the scheme's assets were £32,522,000 with these assets representing 51% of the benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing basis amounted to £30,594,000.

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

- The investment return would be 7.0% per annum before retirement and 5.5% per annum after retirement
- Salaries would increase at 5.0% per annum, equivalent to 2% per annum above inflation. Pensions accruing on the CARE basis would revalue at 3% per annum.
- Present and future pensions would increase at rates specified by scheme rules with appropriate assumptions where these are dependent on inflation.

The 2004 valuation recommended the continuation of the contribution rate previously agreed at the time of the introduction of the CARE basis, of 22.5% of Earnings for the majority of the members (with higher rates in certain circumstances). However it proposed an increase of 1% of earnings from 1 October 2006 with a further increase of 1% from 1 October 2007, unless there was an increase in membership in the meantime. In practice instead of these 1% increases being introduced, a revised contribution rate is to be introduced with effect from 1 October 2006. From that date the contribution rate is to be expressed in two parts: a rate of 15.7% of Earnings (with higher rates in certain circumstances) paying for future accrual,

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Notes to the financial statements

For the year ended 31 July 2006

9. Pension Contributions (c'tnd)

with additional monthly contributions expressed in monetary terms, with the aim of clearing the historic scheme over a period of 20 or so years. These rates will be reviewed as part of a new valuation being carried out as at 1 October 2006. It is anticipated that this will lead to a shorter period for aiming to clear the deficit being adopted than previously, and so is likely to give rise to higher than overall rates from 1 October 2007. Surpluses or deficits which arise at future valuations may also impact on the Association's future contribution commitment.

The contribution rate for the year ended 31 July 2006 applicable to this Association is 3% of earnings for members and 19.5% of earnings for the Association, (22.5% in aggregate). The contributions paid into the scheme in respect of eligible employees for the year ended 31 July 2006 amounted to £21,327 (2005: £20,944).

10. Fixed assets

	Equipment	Building Improvements	Furniture & Fittings	Total
	£	£	£	£
Cost				
At 1 August 2005	1,264,849	2,438,080	300,422	4,003,351
Additions	30,640	190,010	38,609	259,259
Disposals	-	-	-	-
Transfers	-	-	-	-
At 31 July 2006	<u>1,295,489</u>	<u>2,628,090</u>	<u>339,031</u>	<u>4,262,610</u>
Depreciation				
At 1 August 2005	1,219,766	2,249,722	289,910	3,759,398
Disposals	-	-	-	-
Provided during the year	48,581	167,322	19,880	235,783
At 31 July 2006	<u>1,268,347</u>	<u>2,417,044</u>	<u>309,790</u>	<u>3,995,181</u>
Net book value				
At 31 July 2006	<u>27,142</u>	<u>211,046</u>	<u>29,241</u>	<u>267,429</u>
At 31 July 2005	<u>45,083</u>	<u>188,358</u>	<u>10,512</u>	<u>243,953</u>

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Notes to the financial statements

For the year ended 31 July 2006

11. Investments

	£
Cost at 1 August 2004 and 31 July 2006	<u>5,828</u>
Net Book Value	
At 31 July 2006	<u>5,828</u>
At 31 July 2005	<u>5,828</u>

At 31 July 2006 the Association held investments in the following companies which are incorporated in the United Kingdom:

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

12. Stock

	2006	2005
	£	£
Bar	26,285	30,203
Shop	-	15,000
Catering	<u>3,689</u>	<u>3,249</u>
	<u>29,974</u>	<u>48,452</u>

13. Debtors

	2006	2005
	£	£
Trade debtors	29,615	32,149
Other debtors and prepayments	116,020	64,093
University of Strathclyde	<u>-</u>	<u>14,682</u>
	<u>145,635</u>	<u>110,924</u>

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Notes to the financial statements

For the year ended 31 July 2006

14. Creditors – Amounts falling due within one year

	2006	2005
	£	£
Trade creditors	133,604	144,029
Accruals and deferred income	239,759	209,866
Club Savings	7,699	2,156
Malawi Fund	72	72
Welfare Book Fund	2,341	1,568
AMSU (Scotland)	32	-
VAT	7,172	9,349
University of Strathclyde	96,749	-
	487,428	367,040

15. Unrestricted funds

	Association General Fund £	Commercial Reserve £	Non- Commercial Reserve £	Total £
Balance brought forward at 1 August 2005	(127,491)	620,021	118,734	611,264
Transfers:				
Commercial reserve	(21,000)	21,000	-	-
To Non-commercial reserve	(11,800)	-	11,800	-
To Sports union fund	(128,640)	-	-	(128,640)
)
To Clubs & Societies fund	(27,175)	-	-	(27,175)
To Sub Aqua fund	(37)	-	-	(37)
Surplus for the year	173,461	-	-	173,461
Balance carried forward At 31 July 2006	(142,682)	641,021	130,534	628,873

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Notes to the financial statements

For the year ended 31 July 2006

16. Restricted funds

	Sports Union Fund	Clubs & Societies Fund	Sub Aqua Fund	Total
	£	£	£	£
Balance brought forward at 1 August 2005	52,437	38,903	578	91,918
Transfers from Income & Expenditure Account	128,640	27,175	37	155,852
(Deficit) for the year	<u>(114,202)</u>	<u>(19,676)</u>	-	<u>(133,878)</u>
Balance carried forward at 31 July 2006	<u>66,875</u>	<u>46,402</u>	<u>615</u>	<u>113,892</u>

17. Reconciliation of operating profit to net cash flow from operating activities

	2006	2005
	£	£
Continuing operations		
Net incoming resources	39,853	7,634
Interest received	(31,316)	(32,529)
Depreciation of tangible fixed assets	235,783	268,468
Decrease in stocks	18,478	5,914
(Increase)/Decrease in debtors	(39,711)	83,765
Increase in creditors	<u>125,388</u>	<u>59,052</u>
	<u>348,205</u>	<u>392,304</u>

18. Analysis of changes in debt

	At 31 July 2005	Cashflow	At 31 July 2006
	£	£	£
Net cash			
Cash in hand, at bank	652,039	120,262	772,301
Cash held on deposit	<u>9,026</u>	-	<u>9,026</u>
	<u>661,065</u>	<u>120,262</u>	<u>781,327</u>

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Notes to the financial statements

For the year ended 31 July 2006

19. Capital commitments

At July 2006, the Association had capital commitments of £60,000 (2004: £100,000).

20. Related party transactions

The Association is an exempt charity for the purposes of the Charities Accounts (Scotland) Regulations 1992. The Association is in receipt of a recurrent grant from Strathclyde University of £1,184,160 (2005 - £1,102,800).

In addition the Association occupies its building on a rent free basis.

The Trustees of the Association are the members of the Executive Committee. The sabbatical members of the Executive Committee receive remuneration for their services as provided for within the Constitution. The aggregate amount payable under such contracts in the year was £93,473 (2005 - £88,113)

21. Controlling Party

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

22. Commitment Under Operating Leases

At 31 July 2006 the Association had annual commitments under non-cancellable operating leases as set out below.

	2006	2005
	Assets Other Than Land and Buildings	Assets Other Than Land and Buildings
	£	£
Operating leases which expire:		
Within 1 year	1,837	-
Within 2 to 5 years	<u>-</u>	<u>3,720</u>
	<u>1,837</u>	<u>3,720</u>

UNIVERSITY OF STRATHCLYDE STUDENTS' ASSOCIATION

Schedule of subscriptions

For the year ended 31 July 2006

	£
NUS	50,000
SCVO	350
UKCOSA	290
CAB	-
CIPD	86
SKILL	87
IPD	-
AUA	-
LABOUR RESEARCH DEPT	191
CPAG	203
CRONER	131
LEGAL SERVICES AGENCY	50
FENMAN	60
SUSF	14
NATIONAL UNION OF JOURNALISTS	2778
TLC LEARNING COMPANY	84
HOLYROOD COMMUNICATIONS	360
IIRSM	191
ILM MEMBERSHIP	67
CIM	330
VOLUNTEER DEVELOPMENT SCOTLAND	580
NASMA	690
NATIONAL NIGHTLINE	35
WOLTERS KLUWER (UK)	1504
STUDENT RADIO ASSOCIATION	-
LOCKSLEY PRESS	70
Total	<u>58,151</u>

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