

**UNIVERSITY OF WOLVERHAMPTON STUDENTS'  
UNION**

**FINANCIAL STATEMENTS**

**31 JULY 2010**

# UNIVERSITY OF WOLVERHAMPTON STUDENTS' UNION

## FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2010

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# UNIVERSITY OF WOLVERHAMPTON STUDENTS' UNION

## EXECUTIVE COMMITTEE AND UNION INFORMATION

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### TRUSTEES

Ken Harris - President  
Alex Blower  
Colin Ager  
Dave Anson  
Ellen Marshall  
Jane Nelson  
Lee Smith

### CHIEF EXECUTIVE OFFICER

Luke Gilbert

### PRINCIPAL ADDRESS

Wulfruna Street  
Wolverhampton  
WV1 1LY

### AUDITOR

Horwath Clark Whitehill LLP  
Chartered Accountants  
Registered Auditor  
Arkwright House  
Parsonage Gardens  
Manchester  
M3 2HP

### BANKERS

The Co-Operative Bank Plc  
1-2 Dudley Street  
Wolverhampton  
WV1 3EN

### SOLICITORS

DLA  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4DL

# UNIVERSITY OF WOLVERHAMPTON STUDENTS' UNION

## REPORT OF THE EXECUTIVE

### YEAR ENDED 31 JULY 2010

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In presenting these accounts we are pleased to be able to report a further improvement in our financial position over the last twelve months.

It has now been three years since we first reported a substantial deficit in our accounts. Since that time we have worked diligently to reduce that figure through a series of often painful cost control measures. We may have been unduly ambitious to have previously suggested that we could turn around a deficit of that magnitude in just two years. While we are still reporting a deficit in these accounts, it continues to reduce at a very positive rate.

Where we have reduced our operating costs we now believe that there is no where else to apply further controls on expenditure without damaging our core values and front line services. Our professional staff have worked hard to apply principles of best value in all aspects of our operations and we are grateful to them for their continuing efforts and dedication.

We have seen 'the worst of times' and were not as prepared for this as we should have been. As we prepare to publish our new strategic plan setting out our 'blueprint for the future' to the end of the decade, financial concerns are uppermost in any proposals for development. Any expansion in the future must be funded from newly generated income, either as a result of commercial activity or increased funding from our parent body. We appreciate that the University itself is under continuing financial pressure as a result of consistent under funding to the Higher Education sector by this Government. Working together we hope to achieve an increase in funding for the sector, and in turn for our own activities. We are grateful to the University for their continuing support and recognition of the value that this Union adds to University Life. We are particularly grateful to the Director of Finance and his staff team for all of their help and advice.

This year we have appointed a new firm of auditors with whom we hope to build a positive working relationship. We have been extremely pleased with all aspects of the audit process to date and have already benefited from additional professional advice since the appointment. We continue to assess our levels of internal controls with the help of the University Internal Audit Team who have recently concluded an exercise examining aspects of our retail business. We are also grateful to be included within this process and reap the benefits of further advice on how to improve our systems.

This has been another positive year, one in which we have further consolidated our position, ensuring a bright future for this Union, our members and the University of Wolverhampton.

**Ken Harris**  
**Union President, on behalf of the Executive Committee**  
**2010/11**

# UNIVERSITY OF WOLVERHAMPTON STUDENTS' UNION

## EXECUTIVE RESPONSIBILITIES

### YEAR ENDED 31 JULY 2010

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

In preparing the financial statements the Executive Committee is required to select suitable accounting policies, as described on page 7, 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 Union will continue to operate.

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

#### **Risk Management**

The Executive Committee, with assistance from the Union's advisers is in the process of undertaking a formal risk management review to assess the risks and implement a suitable risk management strategy. The process will seek to prioritise risks in terms of impact and likelihood of occurrence and from that formulate means of mitigation.

The Executive Committee is also in the process of reviewing the adequacy of the Union's current internal control mechanisms to ensure best practice is maintained. The Executive Committee is seeking to adopt the general edicts of the Turnbull Report regarding governance. Although this is non-mandatory the trustees see benefits accruing through its adoption.

Accordingly, policies on internal controls over the following have either been set down or are in the process of being revised.

The review encompasses the following aspects:

- consideration of the types of risk the Union faces
- the level of risk which is regarded as acceptable
- the likelihood of a risk occasioning
- the Union's ability to reduce the incidence and impact upon operations

In carrying out the review the cost of implementing controls relative to the factors listed above is taken into account.

# UNIVERSITY OF WOLVERHAMPTON STUDENTS' UNION

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

YEAR ENDED 31 JULY 2010

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We have audited the financial statements of the University of Wolverhampton Students Union for the year ended 31 July 2010 which comprise an Income and Expenditure Account, the Balance Sheet, and the related notes numbered 1 to 19. These financial statements have been prepared in accordance with the accounting policies set out therein.

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

### **Respective responsibilities of members and auditors**

The Union's Executive Committee is responsible for preparing the Executive Report and the financial statements.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared. We also report to you if, in our opinion, the Executive Report is not consistent with the financial statements, if the Union has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

### **Basis of 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 Executive Committee 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Unqualified opinion**

In our opinion, the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, Practice, of the state of the union's affairs as at 31 July 2010 and of its income and expenditure for the year then ended.

### **HORWATH CLARK WHITEHILL LLP**

#### **Chartered Accountants and Registered Auditors**

Arkwright House  
Parsonage Gardens  
Manchester  
M3 2HP

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# UNIVERSITY OF WOLVERHAMPTON STUDENTS' UNION

## INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 JULY 2010

	Note	2010 £	2009 £
<b>INCOME</b>			
Block grant	2	827,000	860,981
Net trading income	3	(552)	(3,661)
Other income	4	12,677	19,150
		<u>839,125</u>	<u>876,470</u>
<b>EXPENDITURE</b>			
Central services	5	462,586	303,254
Clubs and societies	6	66,539	81,332
Student representation	7	86,569	103,838
External representation	8	45,986	14,719
The Student Experience	9	54,741	146,231
Advice and Welfare	10	131,621	123,366
		<u>848,042</u>	<u>772,740</u>
<b>SURPLUS / (DEFICIT) FOR THE YEAR TO ACCUMULATED FUND</b>		<u>(8,917)</u>	<u>103,730</u>

The notes on pages 7 to 15 form part of these financial statements

# UNIVERSITY OF WOLVERHAMPTON STUDENTS' UNION

## BALANCE SHEET

AS AT 31 JULY 2010

	Note	2010		2009	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	11		35,969		61,899
Investments	12		<u>660</u>		<u>660</u>
			36,629		62,559
<b>CURRENT ASSETS</b>					
Debtors	13	52,301		21,884	
Cash at bank and in hand		<u>272,254</u>		<u>246,012</u>	
		324,555		267,896	
<b>CREDITORS: Amounts falling due within one year</b>					
	14	<u>(169,029)</u>		<u>(129,383)</u>	
<b>NET CURRENT ASSETS / (LIABILITIES)</b>			<u>155,526</u>		<u>138,513</u>
<b>TOTAL ASSETS LESS CURRENT ASSETS / (LIABILITIES)</b>			192,154		201,072
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Other provisions	15		<u>-</u>		<u>-</u>
			<u>192,154</u>		<u>201,072</u>
<b>CAPITAL AND RESERVES</b>					
Accumulated fund			<u>192,154</u>		<u>201,072</u>

These financial statements were approved by the Executive Committee on the signed on their behalf by:

and

**KEN HARRIS**

President

The notes on pages 7 to 15 form part of these financial statements

# UNIVERSITY OF WOLVERHAMPTON STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2010

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### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities.

#### **Depreciation**

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

Premises improvements	-	14.29% pa straight line
Office equipment	-	33% pa straight line
Fixtures and fittings	-	14.29% pa straight line

#### **Operating lease agreements**

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

#### **Investments**

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

#### **Accounting by charities - Statement of Recommended Practice (SORP)**

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

#### **Taxation**

No provision is made in these accounts for corporation tax as the Union is exempt from such taxes as a result of having derived its charitable status from the University of Wolverhampton.

#### **Capital grant**

The capital grant is released to the income and expenditure account over the estimated useful economic life of the asset to which it relates.

# UNIVERSITY OF WOLVERHAMPTON STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 JULY 2010

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#### 2. GRANTS RECEIVABLE

	2010	2009
	£	£
Block grant	827,000	830,000
Capital grant	-	30,981
	<u>827,000</u>	<u>860,981</u>

#### 3. NET TRADING INCOME

	2010		2009	
	Turnover	Surplus/ (deficit)	Turnover	Surplus/ (deficit)
	£	£	£	£
Retail operations	-	-	-	-
Other trading operations	5,027	(552)	5,640	(3,661)
	<u>5,027</u>	<u>(552)</u>	<u>5,640</u>	<u>(3,661)</u>

#### 4. OTHER INCOME

	2010	2009
	£	£
Interest receivable from NUS Services Limited	404	1,148
Other income	7,690	1,002
Retail arcade income	4,583	17,000
	<u>12,677</u>	<u>19,150</u>

# UNIVERSITY OF WOLVERHAMPTON STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2010

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### 5. CENTRAL SERVICES

	2010		2009	
	£	£	£	£
<b>Central administration</b>				
Depreciation	53,624		22,687	
General expenses	12,669		3,787	
Insurance	14,066		12,937	
Office equipment lease and copy charges	13,895		16,101	
Printing, postage and stationery	4,287		2,078	
Loss on disposal of fixed assets	262		510	
Public relations	1,021		931	
Recruitment costs	3,680		6,426	
Repairs and maintenance	36,706		15,291	
Salaries	263,117		186,506	
Staff travel and subsistence	2,105		1,198	
Student wages	2,411		4,835	
Training	1,920		5,000	
	<u>409,763</u>		<u>278,287</u>	
<b>Financial</b>				
Accountancy	-		3,713	
Auditors remuneration	6,975		4,538	
Bank charges and interest	1,337		3,550	
Irrecoverable VAT	25,237		1,231	
Legal and professional fees	19,274		11,935	
	<u>52,823</u>		<u>24,967</u>	
	<u>462,586</u>		<u>303,254</u>	

# UNIVERSITY OF WOLVERHAMPTON STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2010

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### 6. CLUBS AND SOCIETIES

	2010	2009
	£	£
<b>Sporting and non sporting clubs and societies</b>		
Accommodation	-	325
Affiliation fees	4,837	-
Athletic Union cards	(12,606)	(13,311)
Athletic Union travel	4,008	8,066
Coaching	16,596	23,881
Competition fees	982	(568)
Equipment	1,667	641
Facility hire	12,300	16,061
Kits and laundry	2,370	1,843
Non sporting clubs and societies (net)	(2,666)	(22)
Refereeing and umpire	2,800	5,227
Sponsorship	(803)	(1,794)
Sporting clubs and societies (net)	(4,961)	507
Student volunteering	-	858
	<u>24,522</u>	<u>41,714</u>
<b>Administration</b>		
Administration	3,199	1,716
Public relations	493	437
Wages	38,325	37,465
	<u>42,017</u>	<u>39,618</u>
	<u>66,539</u>	<u>81,332</u>

# UNIVERSITY OF WOLVERHAMPTON STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2010

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### 7. STUDENT REPRESENTATION

	<b>2010</b>	2009
	£	£
Academic affairs	14	306
AGM	1,775	-
BUDs	-	(328)
Campaigns	221	-
Course reps	(3,781)	-
Depreciation	-	108
Elections	3,332	3,526
General expenses	259	52
Home students	47	426
Officer's expenses, training and travel	4,964	6,111
Sabbatical salaries	79,438	87,525
Student activities	300	-
Students' Union magazine & year book	-	6,112
	<u>86,569</u>	<u>103,838</u>

### 8. EXTERNAL REPRESENTATION

	<b>2,010</b>	2,009
	£	£
AMSU affiliation and conferences	750	757
BUSA affiliation	-	4,005
NUS affiliation	44,024	8,000
NUS conferences and training	462	1,957
Investor in people	750	-
	<u>45,986</u>	<u>14,719</u>

# UNIVERSITY OF WOLVERHAMPTON STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2010

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### 9. THE STUDENT EXPERIENCE

	<b>2010</b>	2009
	<b>£</b>	£
Stalls and other income	(10,581)	346
Freshers week	(9,330)	(6,225)
NUS Extra	(15,883)	(15,545)
Depreciation	-	2,678
Performing Rights Society	-	3,498
Publicity	(877)	-
Staff travel	82	84
Student Experience salaries	88,280	160,602
Student safety	480	-
Student volunteering	458	-
Sundries	2,112	693
	<u>54,741</u>	<u>146,131</u>

### 10. ADVICE AND WELFARE

	<b>2010</b>	2,009
	<b>£</b>	£
Advice wages	128,117	113,026
Expenses	3,504	4,590
New database	-	5,750
Safe shuttle	-	-
	<u>131,621</u>	<u>123,366</u>

# UNIVERSITY OF WOLVERHAMPTON STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2010

### 11 TANGIBLE FIXED ASSETS

	Premises Improvements £	Office equipment £	Fixtures & fittings £	Total £
<b>COST</b>				
At 1 August 2009	933,325	187,198	18,934	1,139,457
Additions	-	-	30,466	30,466
Disposals	(933,325)	-	-	(933,325)
<b>At 31 July 2010</b>	<u>-</u>	<u>187,198</u>	<u>49,400</u>	<u>236,598</u>
<b>DEPRECIATION</b>				
At 1 August 2009	886,021	180,650	10,888	1,077,559
Charge for the year	47,304	6,320	2,772	56,396
Disposals	(933,325)	-	-	(933,325)
<b>At 31 July 2010</b>	<u>-</u>	<u>186,969</u>	<u>13,660</u>	<u>200,629</u>
<b>NET BOOK VALUE</b>				
<b>At 31 July 2010</b>	<u>-</u>	<u>229</u>	<u>35,741</u>	<u>35,969</u>
At 31 July 2009	<u>47,304</u>	<u>6,548</u>	<u>8,046</u>	<u>61,899</u>

#### Hire purchase agreements

There are no assets held under hire purchase agreements.

#### Capital commitments

	2010 £	2009 £
Contracted but not provided for in the accounts	<u>-</u>	<u>40,837</u>

### 12 INVESTMENTS

#### COST

At 1 August 2009 and 31 July 2010 660

#### NET BOOK VALUE

**At 31 July 2010** 660

At 31 July 2009 660

At 31 July 2010 The Union held an investment in the following company which is incorporated in the United Kingdom:-

Name of Company	Main Trading Activity	
N.U.S. Services Limited	Purchasing Services	0.36%
		0.24%

# UNIVERSITY OF WOLVERHAMPTON STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2010

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### 13 DEBTORS

	2010	2009
	£	£
Trade debtors	613	7,580
Other debtors	5,004	4,963
VAT	12,267	6,371
Prepayments and accrued income	34,417	2,970
	<u>52,301</u>	<u>21,884</u>

### 14 CREDITORS: Amounts falling due within one year

	2010		2009	
	£	£	£	£
Trade creditors		72,366		3,233
Other creditors:				
PAYE and social security	26,129		22,171	
Other creditors	<u>26,409</u>		<u>-</u>	
		52,538		22,171
Accruals and deferred income		44,126		103,979
		<u>169,029</u>		<u>129,383</u>

### 15 OTHER PROVISIONS

	2010	2009
	£	£
Capital grants brought forward	-	30,981
Release of grants in the year	-	(30,981)
	<u>-</u>	<u>-</u>

# UNIVERSITY OF WOLVERHAMPTON STUDENTS' UNION

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 JULY 2010

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#### 16 COMMITMENTS UNDER OPERATING LEASES

At 31 July 2010 the Students' Union had aggregate annual commitments under non-cancellable operating leases as set out below.

	2010 £	2009 £
Operating leases which expire:		
Within one year	<u>5,952</u>	<u>-</u>
Within 2 to 5 years	<u>-</u>	<u>11,904</u>
After more than 5 years	<u>-</u>	<u>456</u>

#### 17 RELATED PARTY TRANSACTIONS

The Union is an exempt charity for the purposes of the Charities Act 1993 deriving charitable status from the University of Wolverhampton. The Union is in receipt of a grant from the University of £827,000 (2009 £860,981).

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

The trustees of the Union are the members of the Executive Committee. The sabbatical members of the Executive Committee receive remuneration for their services as provided for within the Constitution. The aggregate amount payable under such contracts in the year was £79,438 (2009 £87,525).

#### 18 CONTROLLING PARTY

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

#### 19 POST BALANCE SHEET EVENT

On 1 August 2010, the trade and assets of the Union was transferred to a charitable company limited by guarantee, The University of Wolverhampton Students' Union (Company number 7275807 and registered charity number 1136470).