

University of Stirling Students' Union

Annual report and financial statements
for the year ended 31 May 2011

Scottish charity number SCO23788

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Trustees' Annual Report

The Trustee Board of the University of Stirling Students' Union ("the Union") presents their annual report and financial statements for the year ended 31 May 2011. The Union has been entered into the Scottish Charity Register and is entitled, in accordance with section 13(1) of the Charities and Trustee Investment (Scotland) Act 2005, to refer to itself as a charity registered in Scotland.

Statutory Background

The Trustee Board of the Union are, subject to the constitution and schedules, the executive governing body of the Union and are ultimately responsible for the administration and management of all Unions revenue, assets and activities.

Administrative details of the Union are given below along with details of the Trustee Board as the governing body of the Union in 2010/11.

Charity name University of Stirling Students' Union

Scottish charity number SCO23788

Office bearers

Office Bearers are elected annually for the year from 1 June to 31 May; the four sabbatical officers are also Trustees of the charity. Due to constitutional review and subsequent changes in governance in 2009/10 a new Trustee Board was put in place for 2010/11 where upon sabbatical officers and student trustees are elected annually for the year from 1 June to 31 May and external trustees serve up to three years and are recruited by the board and approved by the General Meeting.

Trustee Board	2011/12	2010/11
<i>Sabbatical Officers</i>		
President	Luke Fenton	Rhianna Humphrey
Vice President / Activities & Development	James Moore	Ross Main
Vice President / Education & Engagement	Hollie Cameron	Mark Charters
Sports Union President	Christopher Purdie	Jamie MacDonald
<i>External Trustees</i>		
Chair of Board	Ian King	Roger Mullin
Vice Chair	Robert Shorthouse	-
External Trustee	Alexander Bell	Alexander Bell
External Trustee	-	Ian King
External Trustee	Vacant	Robert Shorthouse
<i>Student Trustees</i>		
Student Trustee	Liam Beattie	David MacDonald
Student Trustee	Liam Strang	Alexander O'Collard
Student Trustee	Vacant	Liam Beattie

Trustees' Annual Report *(continued)*

Administrative Details

Principal address	The Robbins Centre University of Stirling Stirling FK9 4LA
Chief Executive	Audrey-Clare Burns
Governing document	The Union is constituted by the University of Stirling's Royal Charter given on 14 December 1967 and its constitution is prescribed by Ordinances made by the Court of the University under article 15 of the Charter.
Auditors	KPMG LLP 191 West George Street Glasgow G2 2LJ
Bankers	Bank of Scotland Stirling University Branch University of Stirling Stirling FK9 4LF
Solicitors	Kerr & Co 10 Albert Place Stirling FK8 2QL

Trustees' Annual Report *(continued)*

Introduction to The University of Stirling Students' Union

The University of Stirling Students' Union was constituted by the University of Stirling's Royal Charter given on 14 December 1967. The Unions' purpose is to represent the interests of students at Stirling to the University, the Government and the wider community. The Union delivers core activities through academic representation and support, administration and development of Clubs, Societies, Sports (Sports Union), Campus Media and Active Campaigns. The Union also actively works to build a student community through commercial activities operating bars, catering and large events. A thriving and vibrant Students' Union is therefore a crucial part of the student experience and a very important constituent of the University.

First full year of Trustee Board 2010/11

The constitutional review of 2009/10 introduced a new governance structure for 2010/11 with a Trustee Board comprising of four external Trustees, the sabbatical officers and three students, allowing for greater continuity and scrutiny of governance within the organisation. Democratic bodies and procedures were also reviewed and updated to allow for better engagement with the student body with the roles and remits of student officers changing to reflect the needs of the student populace.

The Unions' first Strategic Plan 2011-14 was launched in June 2011 setting the direction of the organisation for the next three years.

Vision

We exist to make students' lives better.

Mission Statement

Our mission is to be a dynamic, ambitious and sustainable Union to inform and empower all students in order to shape and enhance the content and the quality of their own learning journeys. Underpinned through, and demographically aligned within, relevant democratic representative and social structures.

Strategic Aims

We aim to

- Be a powerful student voice – (to create 'a manifesto for change' ensuring that engagement with and representation for all is our core activity)
- Enhance the cultural and community life of students and support a vibrant student journey through co-curricular activity
- Ensure the Student Union is financially and environmentally sustainable

Achievements and performance 2010/11

The 2010/11 financial year saw incoming resources of £1,297,477 (2010:£1,437,133) which realised net outgoing resources of £1,214,069 (2010:£1,498,506) and an outturn for the year of £83,408 (2010:£(61,373)). This result reflects a positive turnaround from the trading activities from prior years noted below.

The University of Stirling has continued to demonstrate its commitment to a successful Student Union and to this end re-profiled the block grant allocation bringing forward a payment of £50,000 in order to ensure the deficit reserves position was covered and the organisation ended 2011 with a strengthened balance sheet. However, the longer term impact of the re-profiling will be a reduction to the block grant allocation over the next five years.

The overall aim in 2010/11 was to arrest the downward trend of recent years and build on 2009/10 investments. This was in the main achieved. Examples of steps taken in the 2010/11 include improved commercial management, tight control of commercial direct costs (most significantly in staffing), changing of utilities billing from apportioned costs to consumption, accurate financial forecasting through both SAGE and the use of a business recovery specialist (funded by the University) to build models for financial reporting. These interventions combined have significantly improved the outturn for 2010/11 compared to 2009/10. The aim of which was to return the Union to an annual operating surplus, strengthening the Balance Sheet and providing medium term fiscal stability.

Trustees' Annual Report *(continued)*

Reserves

The Statement of Financial Activities (SOFA) on page 12 shows the movement on each individual fund and note 13 shows the assets and liabilities attributable to each fund by type.

Free reserves (General funds less investments)

At 31 May 2011 there was free reserve funds of £39,082 (*2010: deficit funds of £44,326*) This variance to prior year was made possible due to an operating surplus of £83,408 and the re profiling of the block grant as mentioned previously. The Trustees aim to build the free reserves to a level which allows the Union to have sufficient working capital and operating needs on a day to day basis which they estimate to be approximately £50,000. The Trustees aim to build up such free reserves by means of modest annual operating surpluses and judicious management of assets. The Trustees acknowledge this may take several years to turn around; during this short term interim phase the University of Stirling has agreed to provide cash flow support until 28 February 2012 and to underwrite the amounts due to Societies and Clubs.

Past Trading

Changing student demographics and student behaviours have provided the Students' Union with very difficult challenges over the past decade.

The Union has undergone significant changes within its service provision to meet these challenges since the beginning of 2009/10; this change in strategy was developed further in 2010/11. In early summer 2009/10 management took the decision to install a new finance system in order to gain a fuller understanding of the financial position of the Union. There was also a significant impact to the Union during the restructuring of the senior management team.

The identification of the underlying causes of the deficit at such a late stage in the financial year (2009/10) resulted in little time to resolve the situation. Significant one off costs were also incurred during 2009/10 in order to deliver the key recommendations from the Price Waterhouse Coopers finance report (2008/09) which amounted to £44,337 including consultancy fees, PILON, SAGE & EPOS setup, staff recruitment and training. In addition, the trading result in 2009/10 included one off accrued staffing costs of £33,000 in relation to services received during the year.

An in-depth analysis of all financial data carried out late in 2009/10 revealed the underlying source of the structural deficit to be large catering costs and central overheads across the organisation allowing management to begin significant cost cutting and a business restructuring exercise in 2011.

Actions Taken During 2010/11

As previously stated the main priority in 2010/11 was to arrest the downward trend of recent years and build on 2009/10 investments. Examples of steps taken in 2010/11 include improved commercial management with the appointment of an experienced consultant. This appointment was so successful the consultant agreed to complete the second semester and has also agreed in principal to stay for 2011/12.

The largest overall saving was staffing (2011: £516,170, 2010: £611,903) with saving mainly achieved in the commercial areas. The largest single central cost saving was in utilities with billing changed from apportioned costs to consumption which led to a refund within the year of c£15,000.

Progress in other areas included a reconfiguration of the commercial venue in January 2011. Long bar kitchen and bar were closed and the bar area converted (at very low cost) into a student social / study space. This conversion was partially financed by the University with the Information Services department installing computers and Estates and Campus Services providing resources for additional lighting. Some additional revenue was realised in both Underground (Coffee) and Studio (Catering) following the consolidation of trading areas with significantly reduced expenditure making the commercial areas more profitable.

These interventions significantly improved the outturn for 2010/11 compared to prior year, with all commercial areas returning to a surplus position.

Trustees' Annual Report *(continued)*

The Growth of Membership Service Provision 2010/11

On a democratic front the Union had a record election turnout with 33 candidates standing for 18 positions and a voter turnout of 2,833 equating to 24.68% of the University student population, which was second highest in the UK.

Following its launch in 2009/10 the Student Leadership Programme (SLP) continued to grow as a valuable employability resource for students, delivering Bronze and Silver levels. In total 78 students applied for the Bronze level with 25 completing and 10 students continuing into Silver level and 5 completing. Along with Bronze and Silver the Gold level will be developed and delivered in 2011/12.

In conjunction with The Higher Education Academy, the Union launched the first ever student led teaching awards named Recognising Achievement in Teaching Excellence (RATE). An incredible response was realised from the student body with 617 nominations received for 18 awards. This response demonstrated the huge appreciation students have towards the dedication and hard work by teaching staff across the University, which often goes unrecognised. The RATE awards were so well received it is intended for this to become an annual event.

Campaigning activities continue to occupy a central role in the work of the Union with the student voice articulated through informed and engaged members. A large union contingent joined the national demonstration in London against increases in tuition fees. At a local level, officers worked closely with the University and Colleges Union (UCU) to host a march within Stirling to encourage MP & MSP candidate's to show support for keeping tuition fee levels at reasonable.

External funding was secured in order to deliver a postgraduate induction buddy scheme, and a mental health initiative encouraging students to consider changes to improve their mental wellbeing and the introduction of NHS Scottish Mental Health First Aid Training to over 70 students.

Collaborative activities between the Union and the University resulted in a large carbon reduction scheme in University accommodation. The Union was also awarded a Silver level NUS Green Impact Award for carbon reduction across the organisation.

Clubs and Societies continued to grow in membership during 2010/11, with 1182 individual members of Clubs and Societies, of which 25% were involved in more than one club.

Sports Union membership also grew year on year with more than 1500 members taking part across 42 clubs. Whilst the core principal of the Sports Union is participation, there is also strong support for elite sport with tremendous achievements in a number of clubs. Examples include: Men's Football became the British Universities and Colleges Sport (BUCS) Premier league champions; Men's Golf became BUCS Champions as well as Tennis, Women's Rugby, Cricket and Athletics becoming Scottish University Champions, and Cheerleading achieving the title of Scottish National Champions.

The Union is well on the way to achieving Investors in Volunteers (IIV) accreditation and to this end has identified several distinct groups of volunteers (Trustee Board, Part-time Officers, Club Presidents, and Freshers' Team) who will benefit from this investment. The beneficial impact to the organisation by these individuals and the invaluable time they donate cannot be under estimated and is crucial to ensuring the organisations success. IIV accreditation will ensure a volunteering framework is in place to value, enhance and grow the volunteering experience within the Union.

Trustees' Annual Report *(continued)*

Trading/Commercial Planned Activities 2011/12

With the development of the Union's strategic plan in 2010/11 the Union is beginning its implementation of the core strategic aims through delivery of annual operational plans for all profit centres.

Commercial and Central Cost Areas

A year of modest growth and tight expenditure is forecast within the commercial areas for 2011/12 with tactical investment (small refurbishment to Studio Bar, replacement/addition of key equipment) planned in order to grow the business. It is hoped that this investment will emulate the success of the Underground refit from prior year.

In order to reduce the central overhead cost, operate within a reduced budget and ensure additional staff capacity during semester times the organisation intends to reduce existing 12 month contracts to 11 months and implement an organisational closedown for three weeks in July and one week in January (applicable to 8 members of staff).

Marketing and Communications

During the first semester the Union plans to develop a Marketing and Communication strategy with a coherent and consistent brand/message. This strategy will then be enacted and delivered in the second semester to ensure strong promotion and engagement with non-commercial and commercial activities. Changing organisational imperatives and a strong focus on staff support and development emerging from the strategic plan, 2011/12 will bring about a review of staff development and a plan put in place to ensure all staff are skilled and able to contribute effectively to the organisations strategic aims.

Planned Activities for Membership Services 2011/12

Representation and Student Support

Partnership working and collaboration with the University and other external stakeholders, to enhance the student experience, remains high on the 2011/12 Agenda. The sourcing and achievement of external funding in order to enhance core activity will also be prioritise this year with work already underway collaborating with the University's Student Development Support Services and Citizens Advice Bureau (CAB) Stirling to introduce a part time CAB advisor to offer guidance and advocacy to students, boost employability within the student community and provide valuable statistical data to enable evidence led campaigning.

The Union shall also enhanced its current resource to student support and academic representation with the introduction of a new part time staff member in June 2011 to support democratic activity, campaigning and one to one academic representation.

Continued major changes in the Higher Education (HE) sector will shape the Unions campaigning and activism agenda for the coming year with the setting of Rest of UK (RUK) student fees approaching in the first quarter, developing issues within student housing, a continued focus on improving the quality of the learning experience in a financially constrained sector, and the regional government elections in the third quarter.

Student representation and engagement within HE quality enhancement will also see significant developments over the coming annum. A recent funding award from the Stirling Enhancement for Learning Fund (SELF) and a project pilot with the School of Arts & Humanities will see the implementation of a senior level student representative structure developed. The 'School Officer Programme' will be a pilot to explore how the appointment of divisional representatives can improve the flow of feedback upward from Course Rep level to the Learning and Teaching committees of School. Training and development of grassroots course reps will also be reviewed and recommendations provided and delivered over the year.

Trustees' Annual Report *(continued)*

Student Activities and Volunteering

Volunteering opportunities developed both within Clubs and Societies as well as other key areas will grow over the coming year. Renewed emphasis from the Union towards awareness and accreditation for those on committees, internships, officer roles and societies shall bring value to the time and energy these volunteers put in. Clubs will also be encouraged to provide their own volunteering opportunities with current societies championing this move such as the Nature Societies who hope to develop upon successes in the past such as their Bio-Blitz to help map the environment and wildlife within the campus.

Accreditation with Investors in Volunteers began in early 2011 and continues to be a priority for this key area of the organisation; in order provide a quality framework for the support and development of our volunteers.

2012 will also bring great opportunities for student activities and volunteering with the Olympics being held in London and the push across the country to engage in the Cultural Olympiad. Work is planned to promote the diversity of culture within the British Isles, and more specifically Scotland, as well as heighten the profile of sport within the University and local community through a Stirling Olympic Games.

A system for enhancing financial support to clubs and societies is being established with the introduction of a membership card with revenue generated being funnelled into a grant scheme available to all affiliates to bid for in order to host events or activities.

The Union's employability is also set to grow with the introduction of programmes such as 'Entry Level Jobs Initiative' providing individuals the opportunity to gain training and experience in part-time employment possibilities which most students endeavour to enter (bar work, waiting tables, PR work etc.). It is hoped that this initiative will allow students to use the skills and experiences gained to articulate their commitment to and experience within employment.

University Support

The University of Stirling has demonstrated its commitment to ensuring a successful Student Union and to this end re-profiled the block grant for 2010/11 and brought forward £50,000. The University also underwrites several sports union accounts to reduce volatility where costs are impacted by sporting achievement.

In addition, since 2010, the University has agreed to underwrite the funds due to Clubs and Societies, and will provide sufficient cash flow support to enable the Union to meet its liabilities as they fall due on 28th February 2012. This support is not additional grant support, and any cash flows paid in advance of when they are due will still remain a liability to the University. The Students' Union also benefits from the accommodation the University makes available for its various activities.

Management of Risk

The Trustee Board reviews the risk register annually. The register is used to track all organisational risk factors, assess the risk likelihood and risk impact, ensure control procedures are in place and also to detail any individual responsibilities in relation to the risk monitoring processes and if further action is required. Through a review of risks in 2010/11, strategic planning, sustainability and going concern issues were highlighted as the major risks, these are being worked through as detailed above. Moving into 2011/12 the review of the risk register has highlighted the change to student demographic and numbers and the impact this may have to activities and income.

Trustees' Annual Report *(continued)*

Disclosure of information to auditors

The Trustees who held office at the date of approval of this Trustees' Annual Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.



Luke Fenton
President



Robert Shorthouse
Vice Chair of the Trustee Board

Statement of Trustees' responsibilities in respect of the Trustees' Annual Report and the financial statements

Under charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.



191 West George Street
Glasgow
G2 2LJ
United Kingdom

Independent auditor's report to the members of The University of Stirling Students' Union

We have audited the financial statements of The University of Stirling Students' Union for the year ended 31 May 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations (2006). Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

The trustees' responsibilities for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 9.

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that section of that Act. 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 Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if the charity's statement of account is not in agreement with these accounting records or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Annual 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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

Independent auditors report to the members of The University of Stirling Students' Union (*continued*)

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Charity's affairs as at 31 May 2011 and of its incoming resources and application of resources for the year then ended; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.



Grant Macrae
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
16 NOVEMBER 2011

Statement of financial activities
(incorporating the income and expenditure account)
for the year ended 31 May 2011

	<i>Note</i>	General Fund £	Restricted Funds £	2011 Total £	2010 Total £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	410,000	-	410,000	479,725
Investment income		671	-	671	779
Total incoming resources from generated funds		410,671	-	410,671	480,504
Incoming resources from charitable activities:					
Promoting students' interests		76,543	99,466	176,009	156,608
Provision of social and recreational services		710,797	-	710,797	800,021
Total incoming resources from charitable activities		787,340	99,466	886,806	956,629
Total incoming resources		1,198,011	99,466	1,297,477	1,437,133
Resources expended					
Charitable activities:					
Promoting students' interests	3	425,500	97,606	523,106	534,378
Provision of social and recreational services	3,4	679,083	-	679,083	953,272
Governance costs	5	10,020	1,860	11,880	10,856
Total resources expended		1,114,603	99,466	1,214,069	1,498,506
Net (outgoing)/incoming resources		83,408	-	83,408	(61,373)
Net movement in funds		83,408	-	83,408	(61,373)
Funds brought forward		(44,326)	-	(44,326)	17,047
Funds carried forward		39,082	-	39,082	(44,326)

All activities relate to continuing operations.

There is no difference between the result for the year stated above and its historical cost equivalent.

There were no recognised gains or losses other than those disclosed above.

Balance sheet
as at 31 May 2011

	<i>Note</i>	2011		2010	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	8		23,641		32,331
Investment	9		60		60
			<u>23,701</u>		<u>32,391</u>
Current Assets					
Stocks	10	23,544		36,166	
Debtors	11	79,379		63,954	
Cash held at bank and in hand		121,284		8,375	
			<u>224,207</u>		<u>108,495</u>
Creditors: amounts falling due within one year	12	(208,826)		(185,212)	
Net current (liabilities)/assets			15,381		(76,717)
Total assets less current liabilities/net assets			39,082		(44,326)
Represented by:					
<i>Unrestricted funds</i>					
General fund	13		39,082		(44,326)
Restricted funds	13		-		-
Total funds			39,082		(44,326)

Approved and signed on behalf of the Trustee Board of the Students' Union on [] by:


Luke Fenton
President


Robert Shorthouse
Vice Chair of the Trustee Board

Cash flow statement
for the year ended 31 May 2011

	2011		2010	
	£	£	£	£
Reconciliation of net outgoing resources to net cash flow from operating activities				
Net incoming/(outgoing) resources		83,408		(61,373)
Interest receivable		(671)		(779)
Impairment/depreciation charges		8,690		5,489
Decrease in stocks		12,622		7,322
Increase in debtors		(15,425)		(22,081)
Increase/(decrease) in creditors		23,614		(37,614)
		<hr/>		<hr/>
Net cash inflow/(outflow) from operating activities		112,238		(109,036)
		<hr/> <hr/>		<hr/> <hr/>

Cash flow statement

Cash flow from operating activities		112,238		(109,036)
Returns on investments and servicing of finance				-
Interest received	671		779	
	<hr/>		<hr/>	
Net cash inflow for returns on investments and servicing of finance		671		779
		<hr/>		<hr/>
Capital expenditure and financial investment				
Purchase of fixed assets		-	(37,820)	
		<hr/>	<hr/>	
Net cash outflow for capital expenditure and financial investment				(37,820)
		<hr/>		<hr/>
Increase/(decrease) in cash in the year		112,909		(146,077)
		<hr/> <hr/>		<hr/> <hr/>
Reconciliation of net cash flow to movement in net funds				
Increase/(decrease) in cash in the year		112,909		(146,077)
		<hr/>		<hr/>
Movement in net debt in the year		8,375		(146,077)
Net funds at the start of the year		112,909		154,452
		<hr/>		<hr/>
Net (debt)/funds at the end of the year		121,284		8,375
		<hr/> <hr/>		<hr/> <hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment assets and are in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities approved by the Accounting Standards Board in February 2005, the Charities Accounts (Scotland) Regulations 2006 and the constitution of the Trust.

The Financial Statements have been prepared on a going concern basis. The trustees recognise that the Charity remains reliant on the continuing availability of funding and support from The University, with a £50,000 grant re-profiling at year end to strengthen the balance sheet position. The Charity is also reliant upon maintaining the improvement in the performance of the trading operations going forward, so as to generate a surplus as per 2010/11. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy and it is considered reasonably certain that the income will be received.

Grants

Income from grants is included in the incoming resources when these are receivable.

Resources expended

Resources expended are included in the SOFA on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is allocated to costs of generating funds, activities in furtherance of the charity's objects or to costs of managing and administering the charity as appropriate.

Stocks

Stocks have been valued at the lower cost and net realisable value.

Tangible fixed assets

Tangible fixed assets costing less than £5,000 per individual item or a group of related items are charged directly to the revenue in the year of acquisition. All other tangible fixed assets are capitalised and are stated at cost and depreciated over their useful lives as follows:-

Computer equipment, furniture & fittings – 3 years straight line

Office Equipment – 5 years straight line

Kitchen Equipment – 25% reducing balance basis

Value added tax

The Charity is registered for value added tax purposes and partial exemption provisions apply.

Pensions: The University of Stirling Pension Scheme

The Charity participates in the University of Stirling Pension Scheme, a defined benefit pension scheme providing benefits on final pensionable pay. The assets of the scheme are held separately from those of the union. The Charity is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement Benefits" accounts for the scheme as if it were a defined benefit contribution scheme. As a result, the amount charged to the statement of financial activities represents the contribution payable to the scheme in respect of the financial year.

Notes (continued)

1 Accounting policies (continued)

Taxation

The University of Stirling Students' Union is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund Accounting

Funds held by the charity are either:-

General funds – these are funds which can be used in accordance with the charitable objects at discretion of the trustees.

Designated funds – these funds are set aside by the trustees out of the unrestricted general fund for the specific future purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds for the specific purposes or projects.

2 Incoming resources

	2011 £	2010 £
Unrestricted		
General funding (grant from University of Stirling)	410,000	479,725
Investment Income	671	779
Income from charitable activities	787,340	846,612
	<hr/>	<hr/>
	1,198,011	1,327,116
	<hr/>	<hr/>
Restricted	99,466	110,017
	<hr/>	<hr/>
Income from charitable activities	99,466	110,017
	<hr/>	<hr/>

Notes (continued)

3 Charitable activities

Analysis of resources expended

Unrestricted funds

Charitable activity/cost:	Activities undertaken directly £	Support costs £	Total £	2010 £
<i>Unrestricted funds</i>				
Promoting students' interests	3,135	422,365	425,500	426,169
Provision of social and recreational services	679,083	-	679,083	953,272
	682,218	422,365	1,104,583	1,379,441
<i>Restricted funds</i>				
Promoting students' interests	32,617	64,989	97,606	108,209
Total	714,835	487,354	1,202,189	1,487,650
Governance costs			11,880	10,856
			1,214,069	1,498,506

4 Support costs: Promoting Students' Interests

Support cost/charitable activity	2011 £	2010 £
<i>Unrestricted funds</i>		
Clubs, societies and campaigns	67,588	50,501
Student welfare and communications	53,435	62,070
Establishment costs	48,990	47,630
Sports Union	92,817	94,893
Management and administration costs	159,535	171,075
	422,365	426,169
<i>Restricted funds</i>		
	64,989	72,431
	487,354	498,600

Support costs detailed above are attributed to non-commercial activities directly undertaken and resources expended to deliver for clubs and societies, welfare and communications. Organisational management and administration costs are combined and referred to in management reports as central office.

Notes *(continued)*

5 Governance costs

	2011 Total £	2010 Total £
<i>Unrestricted funds</i>		
External audit	10,020	9,048
<i>Restricted funds</i>		
External audit	1,860	1,808
	<u>11,880</u>	<u>10,856</u>

6 Staff costs

The average number of employees during the year was 50 (2010: 41). No employees earned more than £60,000 during the year. The costs of the employees were:

	2011 £	2010 £
Wages and salaries	447,524	533,023
Social security costs	25,682	33,573
Other pension costs	42,964	45,307
	<u>516,170</u>	<u>611,903</u>

7 Executive committee and officers remuneration and expenses

Trustees are remunerated for performing specific operational duties as required in their roles as sabbatical officers but receive no remuneration for their duties as Trustees.

Remuneration paid to Trustees during the year is detailed below. In addition £380 (2010: £180) was paid to two trustees from 2009-10 as remuneration for facilitation the handover to the 2010-11 trustees.

Expenses totalling £309 (2010: £250) were reimbursed to Trustees during the year. These expenses relate primarily to travel and subsistence.

	2011 £	2010 £
President	17,981	16,257
Vice President Activities	18,004	17,928
Vice President Education	17,763	17,928
Sports Union President	17,741	17,928
	<u>71,489</u>	<u>70,041</u>

Notes *(continued)*

8 Fixed assets

	Kitchen equipment £	Computer equipment £	Office equipment £	Fixtures and fittings	Totals £
Cost					
At beginning & end of year	12,203	1,970	19,276	4,371	37,820
Depreciation					
At beginning of year	1,275	492	2,891	831	5,489
Charge for year	2,724	655	3,855	1,456	8,690
At end of year	3,999	1,147	6,746	2,287	14,179
Net book value					
As at 31 May 2011	8,204	823	12,530	2,084	23,641
At 31 May 2010	10,928	1,478	16,385	3,540	32,331

9 Investments

The Students' Association held the following shares in NUS Services Ltd

	2011 £	2010 £
60 'A' shares of £1	60	60

The investments are not quoted. The Executive Committee considers cost to be a fair representation of value.

10 Stocks

	2011 £	2010 £
Shop	18,065	21,301
Robbins	5,479	14,865
	23,544	36,166

11 Debtors

	2011 £	2010 £
Other debtors and prepayments	79,379	63,954
	79,379	63,954

Notes (continued)

12 Creditors: amounts falling due within one year

	2011 £	2010 £
Amounts held on behalf of Sports Union clubs	48,837	40,165
Amounts held on behalf of clubs and societies	22,869	19,484
	<hr/>	<hr/>
	71,706	59,649
Accruals and deferred income	61,653	53,325
Taxation and social security	16,403	25,043
Suppliers creditors	58,878	46,842
Other creditors	186	353
	<hr/>	<hr/>
	208,826	185,212
	<hr/> <hr/>	<hr/> <hr/>

13 Funds

	At 1 June 2010 £	Income £	Expenditure £	At 31 May 2011
<i>Unrestricted funds:</i>				
General	(44,326)	1,297,477	(1,214,069)	39,082
	<hr/>	<hr/>	<hr/>	<hr/>
	(44,326)	1,297,477	(1,214,069)	39,082
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Restricted fund: Sports Union

The Sports Union holds specific events which are specifically for the Sports Union and are therefore restricted. Sports Union costs not covered by this income are included in unrestricted expenditure.

Notes (continued)

14 Pension contributions

The Charity is a member of the University of Stirling Pension Scheme which provides benefits based on final pensionable pay.

Because the Charity is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS17 "Retirement Benefits", the scheme has been accounted for in these financial statements as if the scheme was a defined contribution scheme.

The pension cost is assessed using the projected unit method.

The most recent full actuarial valuation of the scheme was at 1 August 2006 and updated to 31 July 2009 by a qualified actuary.

The major assumptions used by the actuary were:

	2011	2010	2009	2008	2007
Rate of increase in salaries	4.5%	4.5%	4.6%	4.7%	4.0%
Rate of increase in pension payment	3.5%	3.5%	3.5%	3.5%	2.8%
Discount rate	5.27%	5.4%	6.0%	6.5%	5.7%
Inflation assumption	*2.70%	3.0%	3.6%	3.6%	3.0%
	*3.50%				

* Note: the rate of increase in salaries has been assumed as 1% per annum for the first 3 years from 2010 increasing to 4.5% per annum thereafter.

The University offers two schemes to its staff, the USPS and the University of Stirling Pension Scheme for contract staff (USPSCS). Combined figures for the assets of the scheme and the expected rate of return were:-

	Long-term rate of return expected at 31 July 2011	Value at 31 July 2011 £million	Long-term rate of return expected at 31 July 2010	Value at 31 July 2010 £million	Long-term rate of return expected at 31 July 2009	Value at 31 July 2009 £million
Equities	7.69%	39.0	8.0%	35.0	8.4%	31.8
Bonds	5.0%	9.0	4.4%	8.0	6.0%	7.6
Other	0.5%	3.4	0.5%	2.6	0.5%	0.3
Total market value of assets		51.4		45.6		39.7
Present value of scheme liabilities		(62.4)		(60.5)		(55.6)
Deficit in scheme		(11.0)		(14.9)		(15.9)

The amount of pension costs charged in the financial statement in the year to 31 May 2011 was £42,964 (2010: £45,307).

15 Analysis of net funds

	At beginning of year £	Cash flow £	At end of year £
Cash held at bank and in hand	8,375	112,909	121,284
Total	8,375	112,909	121,284

Notes *(continued)*

16 Financial commitments

- a) There were no capital commitments at the year end
- b) Annual commitments under non-cancellable operating leases are as follows:

	2011	2010
	£	£
Land and buildings		
Over five years	<u>8,750</u>	<u>8,750</u>

17 Related party transactions

Details of transactions with the University are included in the Trustees' Annual report on page i-8.

Included in debtors at the year end was an amount due from the University of £53,194 (2010: £44,006).