

Charity Number 1143161
Company Registration number 7719030

University of the Arts London Students' Union

(Limited by guarantee)

Annual Report and Accounts
For the Period Ended 31 July 2012



**University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012**

Table of Contents

| | |
|--|----|
| Administrative Information | 1 |
| Annual Report.. . . . | 2 |
| Statement of Trustees' Responsibilities | 8 |
| Independent Auditors' Report | 9 |
| Statement of Financial Activities (incorporating income and expenditure account) | 11 |
| Balance Sheet | 12 |
| Notes to the Financial Statements | 13 |

**University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012**

Administrative Information

Charitable Status

The University of the Arts London Students' Union (SUARTS) is an incorporated charity (limited by guarantee). The charity registration number is 1143161. The company registration number is 7719030

It was originally established under the Education Act 1994 and was registered with the Charity Commission on 29 July 2011, when Students' Unions connected with exempt higher/further education institutions were removed by section 11(9), Charities Act 2006, from the list of exempt charities in Schedule 2 to the Charities Act 1993.

On incorporation as a limited company on 26 July 2012, the unincorporated Union transferred its assets and liabilities to the newly incorporated charitable Union on 1 August 2011. Prior to this date, the incorporated charity did not trade. Due to this being the first year of the incorporated Union, the comparative data in the primary statements or notes, and any reference in the narrative of these financial statements to results or activities in previous years relates to the unincorporated Union.

Principal address

The Student Hub
University of the Arts London
272 High Holborn
London
WC1V 7EY

Charity Trustees (who are also Company Directors for the purposes of the Companies Act)

From June 2011

Louis Hartnoll
Robyn Minogue
Richard Willsher
Peter Johnson
Jake Wiseman
Laura Howett
Mark Paterson

From June 2012

Ben Westhead
Alex Rose
Fairooz Aniq
Benedict Butterworth
Aini Hong
Polly Wright
Mark Paterson

Auditors

Crowe Clark Whitehill
Aquis House
49-51 Blagrove Street
Reading
Berks
RG1 1PL

Bankers

HSBC
20 Eastcheap
The City
London
EC3M 1ED

Solicitors

Bates Wells and Braithwaite
2-6 Cannon Street
London
EC4M 6YH

SUARTS employs a Director to work closely with the Executive Officers and ensure effective management of the charity as head of a senior management team as follows

| | |
|--------------------|-----------------|
| Director | Pari Dhillon |
| Deputy Director | Kat Stark |
| Resources Director | John Bloomfield |

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

University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012

Structure, governance and management

SUARTS is constituted under the Education Act 1994 as a charitable company limited by guarantee (see page 1) with internal regulations or Rules approved by the governing body of the University of the Arts London (the University). SUARTS's charitable Objects under the Act, to advance the University's educational purposes by providing representation and support for University of the Arts students, are supplemented by the further Object of helping members to develop their own charitable activities as active participants in civil society.

SUARTS is administered by its Trustee Board of up to 9 members comprising of up to four Sabbatical Trustees, three Student Trustees, and two Lay Trustees.

The sabbatical officers, together with the part-time, non-sabbatical officers (referred to as College Vice Presidents), are elected annually by a cross-campus secret ballot of the SUARTS membership.

The four posts of President, Activities and Volunteering Officer, Culture and Diversity Officer and Education Officer, are full time posts remunerated as authorised by the Education Act and cannot exceed two years duration for each holder.

SUARTS operates on democratic principles, working for and with our members, the students of the University of Arts London (UAL). The voice of students is represented by the Union Executive, run and elected by members of UAL. The Union also holds termly all student votes to understand the key issues facing UAL students. The Union also supports a range of assemblies to ensure that the diversity of the student body is heard.

The Trustee Board, assisted by sub-committees, where appropriate has delegated the day-to-day running of the Union to the Director. As charity Trustees, all Trustees receive a comprehensive training programme into their legal and administrative responsibilities at the start of their term of office, with ongoing guidance as and when required for issues arising during their term.

The Trustee Board meets six times per year to receive reports from sub-committees, Officers, Senior Management and the Director, to review the Union's performance and administration generally and to agree policy issues arising. The Union also employs a number of non-student core staff to provide continuity, consistency and knowledge in the management of its many activities. The staff team are accountable to the Director for the performance of their duties.

The Union has a Memorandum and Articles of Association which sets out its governance structure.

Relationship with the University

The Union receives a block grant from the University, and occupies spaces in University owned buildings.

In addition to the provision of space, the University also pays for utilities, caretaking and cleaning staff. This support is intrinsic to the relationship between the University and SUARTS. As recommended by the Charities SORP, which has been adopted for this and future financial years for due compliance with the requirements of Students' Unions provided for in the Charities Act 2011, an estimated value to SUARTS for this free serviced accommodation has been included in the accounts based on a recent historic estimate of market rates. Although SUARTS continues to generate supplementary funding from various mutual trading activities, it will always be dependent on the University's support.

University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012

There is no reason to believe that this or equivalent support from the University will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on the University to ensure the financial viability of its student representative body.

Risk Management

The Trustee Board has examined the major strategic, business and operational risks faced by SUARTS. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Budgetary and internal control risks are minimised by the implementation of procedures for the authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers and participants on all activities organised by the Union. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Aims, Objectives and Activities

The objects of the Union are the advancement of education of Students at University of the Arts for the public benefit by:

- Promoting the interests and welfare of students at the University of the Arts London during their course of study and representing, supporting and advising students;
- Being the recognised representative channel between students and University of the Arts London and any other external bodies; and
- Providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its students.

In pursuit of these objectives, SUARTS will ensure the diversity of its membership is recognised, valued and supported and as such has established student support and development departments and quality services for use by its members, to support its work with the university and other organisations on behalf of students.

These include Advice and Support, Operations; Communications and Engagement; Freshers, Student Activities (clubs and societies, Xhibit; Platform; and the Connect Scheme), Blueprint, Dark Room, Frame, catering and retail services.

SUARTS continues to represent the students on relevant local, national and international issues. On a local level, SU Officers continue to attend many university committees and working groups to enhance the student experience at UAL and ensure that the student voice is heard and responded to at all levels of the University.

To further enhance the student experience, SUARTS attracts a diverse membership to get involved in the Union, the University and the local community by actively promoting the benefits of volunteering in student-led activities.

When reviewing our objectives and planning our activities, SUARTS gives due consideration to the Charity Commission's general and relevant supplementary guidance on public benefit.

Achievements and Performance

Student Involvement & Satisfaction: Key Figures

We sustained historically high levels of democratic and campaigning participation. Our voters are more representative of the wider student body at Arts than they were twelve months previously, although

**University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012**

we continue to struggle to ensure Wimbledon students participate as much as students in other colleges. Turnout in our main elections was 2862 students (14%) which is in line with comparative data for turnout in other students' unions. We had over 60 candidates put themselves forward for election, with feedback demonstrating that it was due to staff members suggesting to students they could be candidates, and the extensive candidate support program in place, that ensured the majority of candidates said that standing was a positive experience

Home undergraduate students were asked to rate their satisfaction with the Union for the first time through the National Student Survey. 57% of students said they were satisfied

Student Engagement

2,000+ sign ups to priority campaign, 5,000+ votes across two all student votes

630 Course Reps registered, 495 Course Reps trained. Course Reps attended 820 meetings across UAL

570 students nominated staff for a White Square Award

Student Activities

Society memberships: 1,006

Sports memberships: 419

Creative societies: 7 Societies with 469 members

Connect networking: volunteers 220 clients: 484

Platform participation. 500+

Student Support

799 enquiries and cases supported through the Advice & Support Service

The Union's achievements against its 2011/12 objectives are outlined below:

University IS community: We will develop communities at UAL

We know from our research that the sense of community students have is limited by a number of factors. This includes some factors within our control (such as number social networking opportunities) and some factors which we do not (such as the physicality of the buildings). Defining our role in developing a sense of community across the colleges is based on an extensive piece of research undertaken in partnership with the University – which informs us that the strongest sense of community is within courses, the college itself, London and then University of the Arts. This disconnect limits the impact of our organisation, and groundwork was undertaken this year in preparation of a pilot project placing two members of staff permanently within college environments. We learnt that targeting and tailoring events and activities to different parts of the student body is more successful than University-wide generic information, but our knowledge and understanding of the student journey within a college is limited

Social and extra-curricular activities meet the needs of Arts students

This year we saw a huge increase in arts and design based societies and creative events through the Union, showing the Union to be an 'arts Union for arts students'. This included:

- **3** new creative and arts societies
- **6** creative events: **4000** students attended Grayson Perry & British Museum collaboration

University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012

- Increased **Platform** activity
- **Xhibit 2012** was more successful than ever, the exhibition visited **3** galleries and had over **1,000** entrants.
- **Made In Arts London** launched
- The **Connect** networking scheme increased the creative theme of all networking events, introducing students from across the globe, and opening up opportunities for creative and enterprising collaborations

Take collective action to create meaningful change on course organisation and contact time

Students identify course organisation, the use of space and contact time as priority issues when discussing how to improve their learning experience. We continued to lobby the University to increase the implementation pace of their project designed to strategically improve course organisation and management. This project involves changes to the shape and sizes of courses, which we have anticipated how to do adapt our representative structures around. Nationally, every course studied in higher education must now provide key information about its delivery and the views of students studying it, including how many hours of contact time students receive. We actively pursued this agenda through our main campaign for 2011/12 – first aid for contact time, which brought together discussions around the quality and quantity of contact time.

Students have taken forward these key concerns to UAL through our representative structures. 50% of all Course Rep meeting reports listed course organisation and management as an issue raised in Course Committees. Synoptic College Reports written from Course Reps feedback raised course organisation and management and contact time through Course Academic Committees and Student and Dean Forums. Papers relating to course organisation & management and contact time were discussed at Academic Standards & Development Committee, Academic Board, and all four College Academic Committees.

Research for the QAA Institutional Review Student Written Submission has been completed and the submission is on course for completion.

Support student wellbeing, happiness and success, with a focus on tackling race and disability inequality

We held our most successful Black History Month events this year, with over 60 students involved. Events included a film screening with a talk from the award winning director and an exhibition of Black student artwork. 15 students submitted work to the exhibition, which had 2 student curators. The private view was attended by senior staff at UAL and Black student artwork from the exhibition was chosen to be hung in the offices of the Rector, and key members of senior UAL staff.

We took creative activities around the Colleges to celebrate International Women's Week, culminating in an exhibition of artwork from women students held in the 272 Gallery and Blueprint Bar.

The Culture and Diversity Officer had membership on all relevant committees and working groups raising diversity issues, and the race attainment gap.

A paper proposing change to UAL discrimination reporting and complaints procedure was submitted to committees across UAL. Recommendations were upheld, including introducing a pilot mediation process in 2012/13 and implementing a data monitoring procedure to better capture data on discrimination.

University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012

Make SUARTS more creative and innovative for students and staff

Under our 'face of the union' theme, we considered the views of students about how they perceive the union and how we had previously positioned ourselves. In being the students' union of the University, we actively compromised how to make our activities relevant to the majority of students. In being able to discuss the issues which more directly affect students within their college or their locality we discovered greater click through rates for emails and higher levels of engagement. We developed a new position statement for our digital offer, in that we should be a 'creative gateway for students'

We had a significant operational and cultural shift within the organisation to appear and be more creative. This involved the initial implementation of a new brand and visual identity, transitioning to a new website provider, using tumblr, Pinterest and significantly increasing our social media reach. We changed the size and structure of our communication team to better deliver this

Collaboration with Culture Label and Jotta ongoing. Students are working as Creative Ambassadors recruiting talent ready for the launch of Made in Arts London

The Commercial Services are reflective of student's needs, viable and provide excellence in customer service

Commercial services has gone through an extensive period of change this year and with the introduction of in-house finance expertise this has helped gain an extensive picture of commercial services current position and the potential expansion in future years.

- Commercial services have struggled this year against budget, which has been reflected in the end of year figures.
- Staffing issues throughout the year, which coincided with stock reporting issues, led to a worse than expected performance for commercial venues.
- However there were important steps taken to improve financial performance in the coming years.
- Bad and out-of-date commercial contracts were identified and cancelled, stock levels were made more consistent, financial issues were investigated and reported to improve performance.
- Further steps were taken with managers to change the culture of running services to increase the impact of our work.
- New feedback initiatives were launched to assess the attitude and service standard of the Commercial Services, these included:
 - Commercial Services survey in Second Term
 - Mystery Shopper programme - 1 visit per commercial area.
- Commercial Services survey key points:
 - Students were sometimes aware of which services were run by the SU, but further work needs to be done to increase awareness;
 - Students were relatively satisfied with goods and services run by the SU but further range and relevant products were requested
- Mystery Shopper key points:
 - Good results in most outlets, best being the bars;
 - Food waiting times were good, portions were good for the price;
 - Need to improve upselling;
 - Need to improve presentation of staff and products;
 - More can be done on customer service.
- Commercial staff team staffing re-structure to help increase expertise in bar areas and save costs that may have arisen with the need of external consultants.
- Extensive ongoing work with the finance team to identify cost savings and areas for closer scrutiny. This area will continue to improve

University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012

Future Plans

SUARTS will be working towards the commitments as identified through its Strategic Plan until July 2016. The six key aims of the Union are:

- 1 We will build creative communities across disciplines and colleges.
- 2 We will provide a credible range of creative opportunities
- 3 We will enable students to influence the University to improve course organisation and management.
- 4 We will have won an improvement in course quality and contact time
- 5 We will reduce unfairness faced by Black, Asian, and Disabled students
6. Commercial Services are reflective of student needs, viable and provide excellence in customer service.

Financial Review

SUARTS's gross general fund income was £2,832,357 during the year. This included annual block grant from the University (totalling £667,100), other grants totalling £133,000, an estimated value of the space which is granted by the University (valued at £1,500,000), and income from commercial venues.

Total expenditure of £2,900,735 on the wide-ranging student benefits we provide, as well as on the modest fundraising and other revenue-generating activities we undertake, left a deficit for the year in its general funds of £68,378. The impact of the loss was to reduce the Union's general fund balance (representing the free reserves available for spend by the Union) from £154,115 to £85,737.

Total reserves, which also include Club and Society balances of £4,248 and £76,020, were £166,005. This is below the £200,000 level which Trustees previously indicated they would like set aside to be able to cope with any unexpected downturn in funding or additional calls on our resources without immediately curtailing activities.

Whilst the Union was successful in introducing financial controls to minimise the level of loss reported in the previous year, and has been able to apply its funding to increasing its impact across a range of activity areas (college organisers being one example), the deficit in general funds resulted primarily from losses experienced in commercial venues, which are referred to above.

Plans have been put in place to improve financial performance within the Union's venues, including new financial controls and enhancements to financial reporting, which are being closely monitored by Trustees. A balanced budget has been prepared for 2012/13 and is being monitored closely to ensure that general fund balances are maintained at least at the current level. A medium-term financial strategy will be developed which will include plans to revisit the reserves target at periodic intervals.

Funds

All funds have been classified as General Funds in the annual accounts, apart from Club and Society Funds which are ringfenced and a Capital Grant reserve, which relates to a grant received in a previous year which is amortised in line with the depreciation charges on funded assets and therefore reduces each year.

Funds Held as Custodian Trustee

In addition to the grant-support funds it disburses to Clubs and Societies, SUARTS acts as custodian for funds raised by the students' many Clubs and Societies themselves. Any funds raised by Clubs and Societies are included in restricted funds.

Future Funding

The Executive Committee confirms that the Union has sufficient funds to meet all its obligations. The Block Grant for 2012/13 has been confirmed at £739,600. Commercial activities are also expected to generate a contribution to Union funds.

University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the charitable company for the purpose of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law

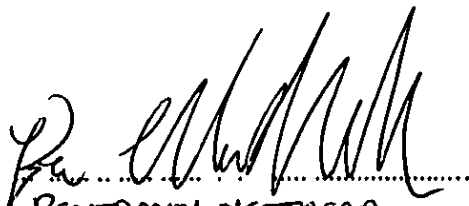
Under company law the trustees must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the charitable company and of its net incoming resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, 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 to operate.

The Trustees are responsible for keeping accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and regulations made thereunder. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditors

Insofar as each of the Trustees of the charitable company at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charitable company's auditor is unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information


.....
BENJAMIN NESTEAD

President

Dated: 14.12.12

University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012

Independent Auditor's Report to the Members of the University of the Arts London Students' Union

We have audited the financial statements of the University of the Arts London Students' Union for the year ended 31 July 2012 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet and the related notes set out on pages 13 to 19.

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

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

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

Opinion on financial statements

In our opinion the financial statements.

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Crowe Clark Whitehill

Alastair Lyon
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Reading

Date: *14 December 2012*

**University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012**

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)

| | Note | <u>General Funds</u> | <u>Restricted Funds</u> | | <u>2012 Total</u> | Unincorporated Union 2011 <u>Total</u> |
|--|------|--------------------------|--------------------------------|--------------------------|-----------------------|---|
| | | £ | <u>Clubs and Societies</u> | <u>Capital Grant</u> | £ | £ |
| INCOMING RESOURCES | | | | | | |
| Voluntary income | | | | | | |
| Donations, College Grant, etc | | 800,100 | - | - | 800,100 | 855,000 |
| Grant of serviced accommodation | 1(c) | 1,500,000 | - | - | 1,500,000 | 1,500,000 |
| Activities for generating funds | | | | | | |
| Advertising Income | | 27,863 | - | - | 27,863 | 30,579 |
| Charitable activities | | | | | | |
| Bars | | 243,350 | - | - | 243,350 | 239,734 |
| Shops | | 53,335 | - | - | 53,335 | 126,149 |
| Entertainment and Events | | 50,859 | - | - | 50,859 | 44,489 |
| Catering & Functions | | 61,145 | - | - | 61,145 | 114,184 |
| Other income | | | | | | |
| Release of Capital Grant | | 53,815 | - | - | 53,815 | 20,350 |
| Sundry Income | | 41,890 | - | - | 41,890 | 71,333 |
| Club and Society Income | | - | 104,214 | - | 104,214 | - |
| | | 2,832,357 | 104,214 | - | 2,936,571 | 3,001,818 |
| RESOURCES EXPENDED | | | | | | |
| Charitable Activities | | | | | | |
| Student Engagement | | 903,356 | - | - | 903,356 | 856,559 |
| Student Support | | 291,652 | - | - | 291,652 | 276,544 |
| Student Activities | | 549,339 | - | - | 549,339 | 441,112 |
| Entertainments and Events | | 114,543 | - | - | 114,543 | 213,540 |
| Marketing and Communications | | 170,776 | - | - | 170,776 | 197,178 |
| Projects | | 18,447 | - | - | 18,447 | 29,711 |
| Bars | | 667,804 | - | - | 667,804 | 871,615 |
| Shops | | 52,145 | - | - | 52,145 | 186,195 |
| Catering & Functions | | 122,673 | - | - | 122,673 | 91,174 |
| Club and Society Expenditure | | - | 99,966 | - | 99,966 | - |
| Release of Capital Grant | | - | - | 53,815 | 53,815 | 71,333 |
| Governance | | 10,000 | - | - | 10,000 | 10,650 |
| TOTAL RESOURCES EXPENDED | 2-5 | 2,900,735 | 99,966 | 53,815 | 3,054,516 | 3,245,611 |
| NET INCOMING/ (OUTGOING) RESOURCES | | (68,378) | 4,248 | (53,815) | (117,945) | (243,793) |
| Funds transferred from unincorporated Union | | 154,115 | - | 129,835 | 283,950 | 527,743 |
| Funds carried forward | | 85,737 | 4,248 | 76,020 | 166,005 | 283,950 |

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 13 to 19 form part of these accounts.


**University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012**

BALANCE SHEET

Company Registration Number 7719030

| | Notes | As at 31-Jul-12 £ | Unincorporated Union As at 31-Jul-11 £ |
|-------------------------------------|-------|-------------------------|--|
| <u>TANGIBLE FIXED ASSETS</u> | | | |
| Tangible fixed assets | 6 | 130,842 | 184,631 |
| <u>CURRENT ASSETS</u> | | | |
| Stock | | 24,601 | 32,919 |
| Debtor and Prepayments | 7 | 60,223 | 85,480 |
| Cash at Bank and in Hand | | 42,670 | 132,993 |
| | | 127,494 | 251,392 |
| <u>CURRENT LIABILITIES</u> | | | |
| Amounts falling due within one year | 8 | (92,331) | (152,073) |
| NET CURRENT ASSETS | | 35,163 | 99,319 |
| NET ASSETS | | 166,005 | 283,950 |
| Financed by. | | | |
| Unrestricted Funds: | | | |
| General Funds | | 85,737 | 154,115 |
| Restricted Funds: | | | |
| Club and Society Funds | | 4,248 | - |
| Capital Grant Reserve | | 76,020 | 129,835 |
| | | 166,005 | 283,950 |

Approved and authorised for issue on behalf of the University of the Arts London Students' Union by the Board of Trustees on 14 December 2012



President

BENJAMIN WESTHEAD

The notes on pages 13 to 19 form part of these accounts

**University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012**

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

a) Accounting Convention

These accounts are prepared under the Charities Act 2011 on the historical cost convention in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' published in March 2005 (SORP 2005) and with applicable UK Accounting & Financial Reporting Standards

Under FRS 1 the Company is exempt from the requirement to prepare a Cashflow Statement on the grounds of its size

The net assets of the unincorporated Union have been brought into the incorporated Union in the Statement of Financial Activities Comparative balances have been shown throughout the Financial Statements representing the activities of the unincorporated Union for the period 1 August 2010 to 31 July 2011

b) Going Concern

After making enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Executive Committee's Responsibilities as disclosed in the Annual Report

c) Incoming resources

All income and capital resources are recognised in the accounts when the Union is legally entitled to the income and the amount can be quantified with reasonable certainty.

The University grant of free serviced accommodation is accounted for as income and expenditure of the year at an estimated value to the Union by reference to alternatives available on the commercial market

d) Resources expended

Expenditure includes irrecoverable VAT

- i) Charitable expenditure and costs of generating funds - comprises the direct and indirect costs of delivering public benefit
- ii) Governance costs - those incurred for compliance and statutory requirements, such as the annual audit, annual elections and training for sabbatical officers
- iii) Space grant - the value of free serviced campus accommodation is apportioned on estimated floor space occupied
- iv) Other central overhead costs - are apportioned to charitable and other projects / activities on a usage basis, pro rata to the total costs of each project or activity undertaken

e) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation Assets are not capitalised below £500 cost per item/set Equipment, fixtures and fittings are included at cost Depreciation is provided at the following annual rates in order to write the cost of assets off over their estimated useful lives. -

| | |
|-------------------------------|-----------------------|
| Fixtures and fittings | 25% per annum on cost |
| Computer and Office Equipment | 25% per annum on cost |

f) Stock

Stock is valued at the lower of cost and net realisable value

**University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

ACCOUNTING POLICIES (CONTINUED)

g) Pension Costs

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year

h) Fund accounting

The Union administers and accounts for a number of funds, as follows

- i) Unrestricted funds representing unspent income which may be used for any activity/ purpose at the Executive Committee's own discretion
- ii) Restricted funds raised and administered by the Union for specific purposes as determined by students such as Club and Societies' accounts, as well as revenue received for purposes specified by the donor and also (if not material enough to require a separate column in the SoFA) any small capital grants received from the University
- iii) Capital Grants are recognised in the SoFA when the Union is entitled to them and are included in a separate reserve in the balance sheet. The reserve is released in line with the depreciation charged on the capital items included within the fixed asset purchased using the capital grant
- iv) Custodian Funds entrusted to the Union for safekeeping, but not under its management control, e.g. Clubs & Societies' funds. Such custodian activities are disclosed in the Annual Report, but as the funds are not managed by the Union they cannot be included in the accounts

**University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2

Charitable activities for students

| | Cost of Sales £ | Staff Costs £ | Other Admin £ | Total £ |
|------------------------------|-----------------------|---------------------|---------------------|------------------|
| Student Engagement | - | 218,715 | 684,641 | 903,356 |
| Student Support | - | 101,988 | 189,664 | 291,652 |
| Student Activities | - | 148,239 | 401,100 | 549,339 |
| Entertainments and Events | - | 4,818 | 109,725 | 114,543 |
| Marketing and Communications | - | 33,182 | 137,594 | 170,776 |
| Projects | - | 1,205 | 17,242 | 18,447 |
| Bars | 140,488 | 228,230 | 299,086 | 667,804 |
| Shops | 30,791 | 4,112 | 17,242 | 52,145 |
| Catering & Functions | 35,299 | 35,647 | 51,727 | 122,673 |
| Governance | - | - | 10,000 | 10,000 |
| | 206,578 | 776,136 | 1,918,021 | 2,900,735 |

Included in governance costs above is the annual audit fee of £10,000 (2011 unincorporated Union £10,650)

Note 3

Central overhead costs included in Note 2

| | Usage % | Staff £ | Rent £ | Other £ | Total £ |
|------------------------------|------------|----------------|------------------|----------------|------------------|
| Student Engagement | 37 | 44,567 | 555,000 | 82,962 | 682,529 |
| Student Support | 11 | 13,250 | 165,000 | 24,664 | 202,914 |
| Student Activities | 20 | 24,091 | 300,000 | 44,844 | 368,935 |
| Entertainments and Events | 4 | 4,818 | 60,000 | 8,969 | 73,787 |
| Marketing and Communications | 6 | 7,227 | 90,000 | 13,453 | 110,680 |
| Projects | 1 | 1,205 | 15,000 | 2,242 | 18,447 |
| Bars | 17 | 20,476 | 255,000 | 38,118 | 313,594 |
| Shops | 1 | 1,205 | 15,000 | 2,242 | 18,447 |
| Catering & Functions | 3 | 3,613 | 45,000 | 6,727 | 55,340 |
| | | 120,452 | 1,500,000 | 224,221 | 1,844,673 |

The basis of allocation of overheads was changed during the year. Overheads are now apportioned in line with estimated staff time.

Other costs comprised:

| | |
|----------------------------------|----------------|
| Depreciation | 69,624 |
| Equipment Purchase & Hire | 39,878 |
| Accounting Costs | 26,119 |
| Bank Charges & Irrecoverable VAT | 20,383 |
| Insurances | 12,315 |
| Training | 11,945 |
| Sundry expenses | 43,957 |
| | 224,221 |

**University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| | Period ended 31-Jul-12 | Unincorporated Union Year ended 31-Jul-11 |
|--------------------|-----------------------------------|--|
| | <u>Total</u> | <u>Total</u> |
| | £ | £ |
| Note 4 | | |
| Staff Costs | | |
| Wages and salaries | 700,941 | 786,905 |
| Social security | 57,700 | 66,784 |
| Pension Costs | 5,865 | 8,359 |
| Other staff costs | 14,353 | 18,997 |
| | <u>764,506</u> | <u>881,045</u> |

No employee earned over £60,000 in either period.

The staffing was as follows.

| | Number | Number |
|-----------|------------------|------------------|
| Full time | <u>32</u> | <u>34</u> |

Note 5

Trustees' Remuneration and Expenses

Sabbatical officers are paid as authorised in the Union's governing document, for the representation, campaigning and support work they undertake as distinct from their trustee responsibilities. This work included voicing student opinion with the University and local community, defending and extending the rights of students through petitions etc and also organising and supporting student volunteers and service provision for them. The total salary and social security costs for the sabbatical officers amounted to £78,427 (2011 unincorporated Union £91,754)

Trustees were not reimbursed any expenses in connection with their duties during either period

**University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 TANGIBLE FIXED ASSETS

| | Fixtures and Fittings | Furniture & IT Equipment | Total |
|------------------------|----------------------------------|---|-----------------------|
| | £ | £ | £ |
| COST | | | |
| At 1 August 2011 | 500,217 | 34,356 | 534,573 |
| Additions | - | 15,835 | 15,835 |
| At 31 July 2012 | <u>500,217</u> | <u>50,191</u> | <u>550,408</u> |
| DEPRECIATION | | | |
| At 1 August 2011 | 327,683 | 22,259 | 349,942 |
| Charge for the Period | 62,641 | 6,983 | 69,624 |
| At 31 July 2012 | <u>390,324</u> | <u>29,242</u> | <u>419,566</u> |
| NET BOOK VALUE | | | |
| At 31 July 2012 | <u>109,893</u> | <u>20,949</u> | <u>130,842</u> |
| At 31 July 2011 | <u>172,534</u> | <u>12,097</u> | <u>184,631</u> |

7 DEBTORS

| | 2012 | Unincorporated Union 2011 |
|--------------------------------|---------------|---------------------------------|
| | £ | £ |
| Trade Debtors | 45,615 | 34,253 |
| Other Debtors | 9,900 | 49,402 |
| Prepayments and Accrued Income | 4,708 | 1,825 |

**University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 FUND ANALYSIS

| | Transferred from Unincorporated Union £ | Incoming Resources £ | Outgoing Resources £ | Balance at 31-Jul 2012 £ |
|--------------------|---|----------------------------|----------------------------|---|
| Unrestricted Funds | 154,115 | 2,832,357 | (2,900,735) | 85,737 |
| Restricted Funds | 129,835 | 104,214 | (153,781) | 80,268 |
| Total Funds | 283,950 | 2,936,571 | (3,054,516) | 166,005 |

Restricted Funds relate to capital grants and Club and Society funds

10 CAPITAL GRANT RESERVE

| | |
|---|---------------------|
| Balance transferred from unincorporated Union | £ 129,835 |
| Transfer to unrestricted funds | (53,815) |
| Balance Carried Forward | 76,020 |

A capital grant of £215,000 was provided by the University in 2010 to fund the refurbishment of the bars. This is considered to be an expendable endowment fund. This is being released to unrestricted funds to match the depreciation charge of the corresponding assets.

11 CLUB AND SOCIETY FUNDS

Societies' funds represent amounts raised by the clubs and societies of the Union for their own use. Total funds at the end of the period were £4,248. As such there were no funds which were individually material.

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds £ |
|--------------------|----------------------------|--------------------------|---------------------|
| Fixed assets | 130,842 | - | 130,842 |
| Net current assets | 30,915 | 4,248 | 35,163 |
| | 161,757 | 4,248 | 166,005 |

**University of the Arts London Students' Union
Annual Report and Accounts
For the Period Ended 31 July 2012**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 RELATED PARTY TRANSACTIONS

The University of the Arts provides the Union with an annual grant as shown in the Statement of Financial Activities. In addition the Union occupies its building on a rent free basis under an informal license subject to the Union maintaining the building in a good state of repair. In line with SORP 2005 the value of this benefit included in the accounts is £1,500,000 which management believe would be the market rate of rentals payable for a similar property.

Amounts due from the University of the Arts as at the year end amounted to £53,412 (2011 unincorporated Union £nil)

14 CONTROL RELATIONSHIP

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 constitution in the membership in the general meeting. As such no single person or entity controls the Union as defined by Financial Reporting Standard 8.

15 PENSION COMMITMENTS

The Union operates a defined contribution pension scheme for the benefit of certain employees. The assets of the scheme are administered in a fund independent from those of the Union.

The total contributions paid into the scheme by the Union in respect of eligible employees for the year ended 31 July 2012 amounted to £5,865.

There were no amounts due at the balance sheet date.

Contributions are at the rate of 3% for the employer and 3% for the employee. The Union's cost of contribution in the year amounted to £5,865 (2011 Unincorporated Union £8,359).

16 TRANSFER OF ASSETS OF UNINCORPORATED ENTITY

On 1 August 2011 the assets, liabilities and trade of the University of Arts London Students' Union (unincorporated charity) was transferred to the University of Arts London Students' Union (incorporated charity limited by guarantee). The assets and liabilities transferred are set out below:

| | Book Value |
|-------------------------------|-----------------------|
| | £ |
| Tangible fixed assets | 184,631 |
| Stock in hand | 32,919 |
| Cash at bank and in hand | 132,993 |
| Debtors | 85,480 |
| Total Assets | 436,023 |
| Creditors due within one year | <u>(152,073)</u> |
| Net Assets | <u>283,950</u> |

The results and financial position of the Students' Union (unincorporated charity) have been shown throughout these financial statements.