

REPORT TO THE PRESIDENT OF THE NENE COLLEGE STUDENTS UNION ON THE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY, 1986

1. FINANCIAL STATEMENTS:

We have prepared the attached financial statements of the Nene College Students Union for the year ended 31st July, 1986 and give our comments on these below.

a. Surplus for the Year:

There is a surplus for the year of £1,254 (1985 - £175).

b. Format of the Financial Statements:

The format of the financial statements has been altered this year in order to isolate those items of income to which costs are directly attributable. This should aid in identifying problem areas and assist management in budgeting and controlling expenditure.

c. Deficit on Students Union Activities:

Three areas are the major causes of this deficit:

- i. Sports and athletics societies
- ii. Non-sporting societies
- iii. Canteen

It is important to note that in the case of the sporting and non-sporting societies no charge has been made for the photocopying, printing, telephone and postage facilities of the Students Union.

The deficit on the canteen would have been smaller during the year, but for excessive staff illness. The scale of this is not expected to repeat itself in the future.

d. Capitation:

As in previous years part of the capitation for next year has been received in the current year. This has been excluded from 1985/86 income.

If capitation fees could be received at the end of June rather than July this would help in reducing bank interest as salaries for the summer are all paid at this time.

e. Establishment Expenses:

The increase in these is caused by a large credit in last year's financial statements. This was in respect of errors made at County Hall when evaluating the Students Union proportion of the lighting and heating charge for the previous few years.

The furniture in the main hall, bar and canteen areas was entirely re-covered this year at a cost of £1,661.

f. Executive and Staff Expenses:

This expenditure has been well monitored and controlled this year and as a result has been greatly reduced.

**REPORT TO THE PRESIDENT OF THE NENE COLLEGE STUDENTS UNION ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY, 1986**

CONTINUED

2. BOOKKEEPING:

- a. Once again the standards of accounting records maintained by Mrs. Edwards is exceptionally high.
- b. The bookkeeping charge in the accounts was for the work taken over by Clifford Towers, Woodroffe & Co., regarding the preparation of Value Added Tax returns which was formerly carried out by Mr. Dyer.

It is important to note that in the case of the sporting and non-sporting societies no charge has been made for photocopying, printing, telephone and postage facilities of the Students Union.

The deficit on the canteen would have been smaller during the year, but for excessive staff illness. The deficit on the canteen is expected to repeat itself in the future.

Capitation:
As in previous years part of the capitation for next year has been received in the current year. This has been excluded from 1985/86 income.

If capitation fees could be received at the end of June rather than July this would help in reducing bank interest as a saving for the summer term will be paid.

Establishment Expenses:
The increase in these is caused by a large credit in last year's financial statements. This was in respect of photocopying and printing. Having evaluated the Students Union proportion of the lighting and heating charge for the previous few years.

The furniture in the main hall, bar and canteen areas was entirely re-covered this year at a cost of £1,661.

Executive and Staff Expenses:

This expenditure has been well monitored and controlled this year and as a result has been greatly reduced.

NENE COLLEGE STUDENTS UNIONINCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST JULY, 1986

	NOTE:	£ 1986	£ 1985
Income from Students' Union Activities	1.	110,024	104,856
Less:			
Expenditure on Students' Union Activities	2.	109,245	109,853
Management Charge	3.	8,303	6,759
		(117,548)	(116,612)
(Deficit) on Students' Union Activities		(7,524)	(11,756)
OTHER INCOME:			
Education Authority Grant including Damages Fund		80,470	75,250
Room Hire		516	652
Printing		793	1,005
Sundries		780	1,105
Commission		74	47
Deposit Account Interest		59	17
		82,692	78,076
		75,168	66,320
OTHER EXPENSES:			
Establishment Expenses	5.	20,700	14,235
Repairs & Renewals of Office Equipment		1,986	1,324
Administration Expenses	6.	49,138	49,234
Finance Charges	7.	1,726	1,352
		(73,550)	(66,145)
		1,618	175
Transfer to Special Project Fund	13.	(364)	-
NET SURPLUS FOR THE YEAR		£ 1,254	175

ACCOUNTANTS' REPORT:

In accordance with instructions given to us we have prepared, without carrying out an audit, the annexed accounts from the accounting records of Nene College Students Union and from information and explanations supplied to us.

62a Billing Road
NORTHAMPTON
29th September, 1986

Clifford Towers Woodroffe & Co.
CLIFFORD TOWERS, WOODROFFE & CO.
Chartered Accountants

NENE COLLEGE STUDENTS UNION

BALANCE SHEET AT 31ST JULY, 1986

	NOTE:	£ 1986	£ 1985
FIXED ASSETS:			
Furniture & Equipment	8.	8,252	6,320
CURRENT ASSETS:			
Stocks	9.	3,880	2,592
Debtors & Prepayments		6,030	4,936
Cash at Bank	10.	11,954	9,743
Cash in Hand		8	30
		<u>21,872</u>	<u>17,301</u>
CURRENT LIABILITIES	11.	(48,234)	(42,316)
NET CURRENT LIABILITIES		<u>(26,362)</u>	<u>(25,015)</u>
		£ (18,110)	(18,695)
Represented by:			
Loan from Courage Brewery	12.	3,904	4,550
Special Project Fund:			
Balance at 1st August, 1985		1,078	1,688
Transfer from Income & Expenditure Account	13.	364	-
		<u>1,442</u>	<u>1,688</u>
Expenditure	13.	(387)	(610)
		<u>1,055</u>	<u>1,078</u>
Accumulated Deficit:			
Balance at 1st August, 1985		(24,323)	(30,498)
Donation from College		-	6,000
Net Surplus for the year		<u>1,254</u>	<u>175</u>
		<u>(23,069)</u>	<u>(24,323)</u>
		£ (18,110)	(18,695)

CLIFFORD TOWERS, WOODROFFE & CO.
Chartered Accountants

NENE COLLEGE STUDENTS UNION

NOTES TO THE FINANCIAL STATEMENTS

		1986	1985
		£	£
INCOME FROM STUDENTS UNION ACTIVITIES:			
Canteen	See Note 4	40,619	38,043
Bar	See Note 4	26,534	27,012
Amusement Machines	See Note 4	8,536	8,576
Social Functions	See Note 4	20,938	17,074
Scarves & Shirts		710	783
Film Society		2,045	2,145
Sports & Athletics Societies	See Note 4	5,661	4,873
Non-sporting Societies	See Note 4	1,652	4,253
Newspaper & Handbook Advertising		3,329	2,097
		<u>£ 110,024</u>	<u>104,856</u>

2. EXPENDITURE ON STUDENT UNION ACTIVITIES:

Canteen	43,694	39,986
Bar	24,836	26,170
Amusement Machines	3,324	2,111
Social Functions	19,873	16,210
Scarves & Shirts	610	648
Film Society	1,444	2,443
Sports & Athletics Societies	10,446	12,417
Non-sporting Societies	2,009	7,004
Handbook Expenditure	3,009	2,864
	<u>£ 109,245</u>	<u>109,853</u>

3. MANAGEMENT CHARGE:

Administrative Wages	15%	5,368	5,146
Power, Lighting & Heating	25%	1,063	(627)
Telephone	75%	1,872	2,240
		<u>£ 8,303</u>	<u>6,759</u>
Social Management Charge for Previous Year		2,200	2,200
Increase for Inflation	4.5%	100	-
Social Management Charge		2,300	2,200
Canteen, Bar & Amusement Machines Management Charge		6,003	4,559
		<u>£ 8,303</u>	<u>6,759</u>

NENE COLLEGE STUDENTS UNION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

	<u>Bar</u> <u>£</u>	<u>1986</u> <u>£</u>	<u>Canteen</u> <u>£</u>	<u>Bar</u> <u>£</u>	<u>1985</u> <u>£</u>	<u>Canteen</u> <u>£</u>
4. <u>INCOME/EXPENDITURE COMPARISONS:</u>						
a. <u>Bar & Canteen</u>						
Takings	26,534	40,619	27,012	38,043		
Cost of Goods Sold	(19,002)	(23,448)	(18,866)	(21,873)		
Gross Margin	7,532	17,171	8,146	16,170		
Expenses:						
Repairs & Renewals	(119)	(383)	(1,230)	(559)		
Wages & Casual Labour	(5,715)	(19,863)	(6,074)	(17,554)		
Surplus/(Deficit) before Management Charge	£ 1,698	(3,075)	842	(1,943)		
b. <u>Amusement Machines & Social Functions</u>						
	<u>Amuse-ment</u> <u>Mach-</u> <u>ines</u> <u>£</u>	<u>1986</u> <u>£</u>	<u>Social</u> <u>Functions</u> <u>£</u>	<u>Amuse-ment</u> <u>Mach-</u> <u>ines</u> <u>£</u>	<u>1985</u> <u>£</u>	<u>Social</u> <u>Functions</u> <u>£</u>
Takings	8,536	20,938	8,576	17,074		
Direct Costs/Rentals	(3,324)	(17,257)	(2,111)	(16,210)		
Gross Margin	5,212	3,681	6,465	864		
Expenses:						
Records	-	(408)	-	-		
Travel	-	(580)	-	-		
Bank Charges & Interest	-	(389)	-	-		
Sundry Other Expenses	-	(1,239)	-	-		
Surplus before Management Charge	£ 5,212	1,065	6,465	864		
c. Bar Surplus		1,698		842		
Canteen Deficit		(3,075)		(1,943)		
Amusement Machine Surplus		5,212		6,465		
Management Charge		(6,003)		(4,559)		
Net (Deficit)/Surplus	£	(2,168)		805		
d. Social Function Surplus		1,065		864		
Management Charge		(2,300)		(2,200)		
Net (Deficit)	£	(1,235)		(1,336)		

NENE COLLEGE STUDENTS UNION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

4. INCOME/EXPENDITURE COMPARISONS - CONTINUED:e. Social Functions

	1986 Income £	1986 Expendit £
Freshers' Ball	3,345	(1,205)
Snow Ball	2,431	(1,952)
New Year Ball	1,254	(1,454)
Summer Ball	4,045	(3,114)
Trips	890	(909)
Band Events	946	(5,086)
Disco Events	3,253	(1,642)
Other Income/Expenditure	4,774	(1,895)
	<u>£ 20,938</u>	<u>(17,257)</u>

f. Sports & Athletics Societies

	1986 Income £	1986 Expendit £
Badminton	175	(358)
Basketball	134	(480)
Football	414	(1,605)
Hand Gliding	30	(117)
Hockey	405	(627)
Karate	559	(836)
Motor	30	(73)
Mountaineering	88	(916)
Netball	41	(193)
Parachuting	38	(167)
Rugby	546	(1,901)
Sailing	74	(67)
Skiing	2,948	(2,990)
Squash	106	-
Table Tennis	12	-
Volleyball	61	(116)
	<u>£ 5,661</u>	<u>(10,446)</u>

g. Non-Sporting Societies

	1986 Income £	1986 Expendit £
Alliance	87	(160)
Christian Union	80	(360)
Drama	152	(158)
Engineering	47	-
Environmental Science	64	(37)
Conservatives	52	-
Flat Earth	106	(154)
Games	102	(85)
Anti Blood Sports	55	(96)
Methodists	80	(31)
Pop Mobility	108	-
Photography	62	(138)
Sight & Sounds	500	(486)
Socialists	70	(84)
Womens Group	87	(220)
	<u>£ 1,652</u>	<u>(2,009)</u>

No comparative figures are available for social functions, sports and athletics societies or non-sporting societies.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**5. ESTABLISHMENT EXPENSES:**

		<u>1986</u>	<u>1985</u>
		£	£
Power, Lighting & Heating	75%	3,189	(1,882)
Property Repairs		225	998
Furniture Refurbishment		1,661	-
Alarm System, Rental & Maintenance		1,019	1,038
Minibus Expenses		4,413	4,051
Insurances		592	567
N.U.S. Membership, Conference & Publications		6,445	7,065
Sundries		1,698	1,283
Depreciation		1,458	1,115
		<u>£ 20,700</u>	<u>14,235</u>

6. ADMINISTRATION EXPENSES:

		<u>1986</u>	<u>1985</u>
		£	£
Sabbatical Officers' Wages		11,182	12,000
Administrative Wages	85%	30,418	29,161
Executive & Staff Expenses		1,490	2,722
Printing & Stationery		2,375	2,984
Postage		175	
Telephone	25%	625	747
Subscriptions		448	168
Accountants' Charges		1,300	1,120
Bookkeeping Charges		900	
Legal & Professional Charges		225	95
		<u>£ 49,138</u>	<u>49,234</u>

7. FINANCE CHARGES:

		<u>1986</u>	<u>1985</u>
		£	£
Bank Charges		1,074	839
Bank Interest		432	243
Courage Brewery Loan Interest		220	270
		<u>£ 1,726</u>	<u>1,352</u>

8. FURNITURE & EQUIPMENT:

		<u>1986</u>	<u>1985</u>
		£	£
Cost:			
At 1st August, 1985		9,962	9,9
Additions		3,390	-
At 31st July, 1986		<u>£ 13,352</u>	<u>9,962</u>
Depreciation:			
At 1st August, 1985		3,642	2,527
Charge for the year		1,458	1,115
		<u>£ 5,100</u>	<u>3,642</u>
Net Book Amount at 31st July, 1986		<u>£ 8,252</u>	<u>6,320</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

9. STOCKS:	1986	1985
	£	£
Canteen	1,400	580
Bar	571	1,052
Shirts & Scarves	609	507
Stationery	450	453
Railcards	850	-
	<u>3,880</u>	<u>2,592</u>
10. CASH AT BANK:	1986	1985
	£	£
Co-operative Bank Current Account	11,898	9,533
Co-operative Bank Deposit Account	56	210
	<u>11,954</u>	<u>9,743</u>
11. CURRENT LIABILITIES:	1986	1985
	£	£
Creditors & Accrued Expenses	7,093	3,859
Co-operative Bank Social Account	609	2,332
Deferred Income - Capitation Fees	40,225	36,125
Rag Float - See Note 14	307	-
	<u>48,234</u>	<u>42,316</u>
12. LOAN FROM COURAGE BREWERY:		
This was originally for £7,000 to pay for a new cool room and bar alterations. It bears a fixed rate of interest of 5% and is repayable in 42 quarterly instalments of £175 each.		
13. SPECIAL PROJECT FUND:	1986	1985
	£	£
Expenditure on Student Demonstrations	387	610
Reimbursement of Expenditure on Student Demonstrations	364	-
14. RAG WEEK:	1986	
	£	
Income	4,798	
Expenditure	<u>1,291</u>	
	3,507	
Donation	<u>3,200</u>	
Rag Float	307	

No comparative figures are available for rag week.

General Managers Report on the Annual Accounts for the year ended
31st. July 1986.

a) Surplus for the year.

The surplus would have been greater if the following matters had not taken place.

(i) Staff Illness

There was a considerable amount of staff illness with a number of staff going into hospital and many needing many months to recuperate. The net cost of sick pay on the Canteens alone was £973.12. On top of this we had to employ casual staff and other people worked extra hours. This had a particularly bad effect on the figures for the canteen.

(ii) Social Events

One event in particular made a huge loss. The identification of types of event will help with monitoring.

(iii) Clubs and Societies

One or two went way over budgets partly because of the sheer size of their activities. Steps have been taken to show all their income as well as their expenditure in future. It would appear that the hire cost of extra transport was not always included in base budgets.

(iv) Printing

Income was down as there were no local or national elections in 1986. Outside printing increases our income.

The surplus was affected by the following matters:

(i) New Telephone system

This reduced the cost of rental very substantially although the cost of installation of approximately £2,000 appears in the accounts.

(ii) Vandalism

Over the Summer in 1985 and 1986 substantial repair work to the fitted seating had to be undertaken. The first part of this work appears in these accounts; the remainder including the redecorating costs will appear next year.

(iii) Staff changes

When Dick Dyer left in the Summer of 1985 he was not fully replaced. The VAT work he had undertaken was transferred to the auditors. Thus reducing the Admin wages bill but increasing the auditors bill. Two members of bar staff were sacked and this affected the wages costs. Their accumulated time in lieu which would normally be used up in the college vacations had to be paid in lump sums.

(iv) Bad Debt

In 1985 the auditors agreed to write off a bad debt for printing undertaken at the first instance for the Trades Council. The Trades Council later informed us that this had been for the Miners Support Group who although composed of some of the same people had disbanded as a group.

The S.U. President made various attempts to retrieve this substantial sum during 1985/86 without avail. Consequently the Management Committee agreed that in future printing would only be undertaken for these people or organisations if the printing work was prepaid.

This is the only printing bad-debt there has been in 10 years of printing for outside bodies. A more detailed procedure for printing was introduced as a result - a detailed form was developed for the purpose.

(v) Damages Fund

The terms of the fund were radically renegotiated during the year and balances returned to the Union.

Action taken as a result of the Accounts and Auditors recommendations.

- 1) The Bank have been contacted and have agreed to reduce their scale of charges.
- 2) New lines, particularly vegetarians lines have been introduced on the Student's Union canteens. Meetings with vegetarian students have taken place to assess demand. Evening opening of the canteen at Park Campus was attempted at the beginning of term.
- 3) New merchandise lines have been introduced e.g. Mugs, Athletic and Golf shirts, & coach cards. A doubles double happy hour has been introduced on the Avenue Bar from 6pm - 8 pm. Monday to Friday.
- 4) Avenue Band nights have been introduced on Thursdays.
- 5) A changed incentive job description for the member of Bar Staff has been developed.
- 6) The possibility of late-night food after Avenue events is being investigated.
- 7) The contracts for the typewriters and their replacements are being investigated.
- 6) Steps to retrieve the cost of redecorating the Mandela building from the College are in progress.
- 9) Promotional events in the Mandela building including drinks promotions, special events and a pool tournament are being investigated.
- 10) The Courage Brewery loan is likely to be uplifted to enable student discounts which will more or less pay off the amount in about two years.