
UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 22
Independent auditor's report	23 - 25
Consolidated statement of financial activities	26
Consolidated balance sheet	27
Company balance sheet	28
Consolidated statement of cash flows	29
Notes to the financial statements	30 - 51

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2019**

Trustees

Fatima Abid, General Secretary (resigned 30 June 2019)¹
Kwame Asamoah-Kwarteng, General Secretary (appointed 1 July 2019)¹
Sara Heddi, Women's Officer (resigned 30 June 2019)¹
Ayla Huseyinoglu, Women's Officer (appointed 1 July 2019)¹
Shamima Khonat, Community, Campaigns and Citizenship Officer (resigned 30 June 2019)¹
Rana Phool Ur Rehman, Postgraduate Officer (appointed 1 July 2019)¹
Olivia Meisl, Education Officer (resigned 30 June 2019)¹
Chloe Salins, Education Officer (appointed 1 July 2019)¹
Sara Khan, Liberation & Access Officer (resigned 30 June 2020)¹
Elizabeth Haughton, Activities and Development Officer¹
Riddi Viswanathan, International Students Officer (resigned 30 June 2019)¹
Jake Garrett, International Students Officer (appointed 1 July 2019)¹
Daniel Lashley-Johnson, Welfare Officer (resigned 30 June 2019)¹
Adam Haigh, Welfare Officer (appointed 1 July 2019)¹
Katie Fox (appointed 1 September 2019, resigned 19 March 2020)

¹ Officer Trustees

Company registered number

7759820

Charity registered number

1144146

Registered office

Steve Biko Building, Oxford Road, Manchester, M13 9PR

Independent auditor

Crowe U.K. LLP, 3rd floor, The Lexicon, Mount Street, Manchester, M2 5NT

Bankers

Santander Bank PLC, Bootle, Merseyside, L30 4GB

Solicitors

JMW Solicitors LLP, 1 Byrom Place, Spinningfields, Manchester, M3 3HG

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2019

The Trustees present their annual report together with the audited financial statements of the group and the company for the year 1 August 2018 to 31 July 2019. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Purpose, Activities and Impact

a. Aims and objectives

The fundamental purpose of the Union is to improve student life for the 40,000 students at the University of Manchester and everything the Union does pushes us towards that goal. Our vision is that **all students should be able to feel a part of the Manchester community where they can develop, prepare for their future and make a difference in the world around them.**

The charitable objects of the Union as set out in the Articles of Association are the advancement of education of students at the University of Manchester for the public benefit by:

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

The Union's purpose is to be the voice of students at the University of Manchester, effecting change and enriching student life together.

The Union's values are:

Student Led

We are led by students in everything we do and actively develop student leaders

Diverse and Liberating

We ensure accessibility, challenge inequality and champion liberation

Inclusive and Open

Our activities are welcoming to students from all courses, countries, backgrounds and levels of study, encouraging participation

Ambitious & striving for excellence

We set ourselves stretching targets and seek to be the very best at what we do

Ethical and have integrity

We actively seek to minimise any negative impacts of our work and stay true to our values

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

Creative and Fun

We encourage new ideas and enjoyment for our students, staff and partners

b. Strategies for achieving objectives

The current strategic plan and underlying framework takes the Union from 2016 to 2020. It was developed following major pieces of research and stakeholder engagement. A promise based approach has been taken to the development of the strategy and it is split into five promises to our students:

We'll help you make the most of your time as a student
We'll help you get the best future
We'll help you discover and connect with Manchester
We'll help you understand and change the world around you
We'll build a truly outstanding students' Union

These promises are underpinned by our enabling strategies that focus on people, finance and service delivery. Each year the teams in the Union take part in a planning cycle to develop the activity for the coming year linking back to the delivery of the strategic aims. These departmental plans are then linked to individual staff members' personal objectives.

c. Main activities undertaken to further the charity's purpose for the public benefit

The Union undertakes numerous activities in support of the students of Manchester and for the broader benefit of the public:

Advice Service

The Union provides a specialist advice service which supports student needs around the areas of housing, money, welfare and academic issues. Over 4000 students regularly access the service, and are saved thousands of pounds and kept in higher education through our advocacy

Educational Engagement

We provide representation and peer leadership for curriculum development, quality assurance and enhancement of our members' education and represent students on all major decision making bodies at the University.

Democracy & Campaigning

We run a range of social justice and campaigning projects which supports the development of civic participation in our members. These are focused on enhancing rights and liberating under-represented groups.

Student Activities & Volunteering

We provide a choice of over 420 student groups which offer students opportunities for social and skills development. We also support student-led volunteering; facilitating a wide range of volunteering and fundraising opportunities.

Community Development

We support a range of student groups around where they live such as hall students, off-campus, mature, part-time and distance learners. We provide services which increase their sense of belonging and the ability to form lasting friendships.

Shops, bars and catering outlets

We run a range of commercial facilities which provide great value products and services, whilst providing relaxing environments for students to meet and interact.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

Venues & Events

We provide a series of live music and club venues which attract over 350,000 people through the doors each year at around 460 shows and events. We also stage our annual Welcome Week and a series of live music festivals which are popular with students.

d. Our impact

Over 25,000 students at the University have been in at least one activity group at the Union over the last year.

Strategic report

Achievements and performance

a. Key financial performance indicators

The last year has continued to be challenging for the Union financially, with some of our commercial endeavours not making the financial contribution hoped for. The substantial refurbishment of these areas in the last two years has not yet started to return the investment made by the organisation and has resulted in some difficult decisions being made around headcount reduction, outsourcing of some operations and more conservative forecasting being made for the future operations. Our live music business and media sales operation have continued to provide high levels of unrestricted income to ensure we maintain a diversity of income streams given the downward pressure on the growth of grant funding. Following substantial capital investment in our facility development, our general reserves have been at a low level (as set out in our long-term forecasting) which will be replenished in the coming years. The board and senior staff members continue to place a great deal of scrutiny on our financial position and are working closely with the University of Manchester to develop closer partnership on our catering offer in particular.

Key financial indicators are:

Indicator	Target met	Comment
Reserves in line with policy	No	At the end of the year, the reserves were below the required minimum. Careful cash management and limits on expenditure have ensured we enter the new financial year on a stable footing.
Commercial surpluses	No	The commercial subsidiary Manchester Academy Venues has exceeded budgeted expectations in the year. The 13 Media sales agency has also exceeded budgeted expectations and developed partnerships with two other students' unions. This activity has relatively low overheads associated. Total revenue for the year for the two trading subsidiaries was £3.626m with a combined contribution of £732k. The other trading areas (catering, retail, bar and helpdesk) made substantial losses in the year, compounded by a loss of ticket income due to poor management.
Year-end surplus	No	The Union has not achieved a surplus position at the end of the year.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

Spend in line with budget	Partially	Spend in most areas has remained in line with or better than budget. This is with the exception of the ground floor trading areas as noted above.
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b. Review of activities

Reflecting on the previous annual report, the following progress has been made against the objectives set:

Strategic Promise

We'll help you make the most of your time as a student

Programmes of work

- Empower you to shape your academic experience
- Make it easy to get involved in activities which fulfil your passions
- Build communities and networks which will help your student life

Performance

- Over the last year, the Union has supported over 1,000 course reps. At the start of the year, we trained over 780 of these reps in face to face sessions, and a further 200 online. In the most recent research at the end of the academic year, over 80% of students were satisfied with the support received by the Students' Union. Reps from across the institution have made a real impact on their learning experience. This has been particularly important as a number of faculties and schools have been reviewed. We have provided work in relation to the Law and Social Sciences merger which has been undertaken this year.
- We now support 400 societies, the largest total in the UK by some distance. Individual society memberships have levelled off from 2017/18 to 34,000. Over 1 in 3 students are involved in at least one student group, totalling 14,200 students. Our societies are doing amazing things, winning national competitions and leading ground-breaking campaigns. Our Islamic Society is holding its internationally recognised event during May - The Ramadan Tent Project (open Iftar), engaging the wider Manchester community in what it means to fast to bring faiths together.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

- Our groups have invited over 700 visiting speakers onto campus, giving students the chance to debate and be exposed to wider social issues. Whilst there have been some vigorous debates amongst our students over the Prevent Duty, we are happy we treat our student groups in an even-handed, enabling way. We have not stopped any external speaker during the course of the year and take our duties under the Code of Practice on Freedom of Speech very seriously. Over the last five years, we have had 2,957 external speakers and only stopped one from speaking due to safety concerns. The press coverage around censorship is not borne out in reality of our experiences at Manchester.
- Since establishing our student events function two years ago, we have radically altered the support to student groups putting on exciting events for the benefit of other students. During the course of the year, 14,785 students attended at least one of these events which have been focused on culture, arts and performance.
- As part of our work on effective student engagement we jointly chair the Student Engagement group, made up of Academics, PSS staff and Students' Union colleagues. We have launched a student rep hub which allows students to feed back anything in relation to academic or support matters to their rep and the Union. This has allowed us to start to identify themes for our representative work. We also published the priorities of students through the 'Student Voice' report which was presented to the Board of Governors.
- The Union held its annual elections during late February/Early March. The turnout was similar overall to last year, about 200 votes down at 8,000. We had 58 candidates standing for election. The overall election process has proven to be controversial, with many more complaints than recent memory. We will be asking the Electoral Reform Society (ERS) to undertake an independent review of our election rules and processes to ensure they can stand up

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

- to digital campaigning and voting methods.
- We have received a number of grants from HEFCE (and now OfS) throughout the year. These have included an active bystander project which looks to tackle harassment and discrimination faced by BME students and the creation of an ambassador programme which looks to develop schemes of work to support work on tackling the attainment gap. The project around Postgraduate Wellbeing has opened a number of doors for our work with PGR students, and led to the creation of a new full-time officer role from July 2019.
 - We have been working closely with the Directorate for the Student Experience on the future support for international students. We have agreed that the International Society will merge with the Students' Union from July 2019. This will give much greater clarity to our international (and home) students. We will be bringing their work on language classes, trips and cultural events under our banner and will look to double involvement over the next two years.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

We'll help you get the best future

- Create the best skills development programme for you
- Develop brilliant part time work opportunities
- Develop our advice and wellbeing services to ensure you are set for the future
- We have worked in partnership with the University to further embed the 'Stellify' programme to support students to articulate and demonstrate their extra-curricular skills. So far, over 6,500 students have participated in the first stages of the programme. We have ensured all voluntary leadership roles across the Union are embedded into the new HEAR, and we have supported over 4,000 leaders during the last year.
- We have almost doubled the types of student employment roles being undertaken in the organisation. We have developed jobs in finance, marketing, event support, research and student advice in addition to current roles across our commercial services.
- The Advice Service supported over 4,000 students across the year, reaching this number for the first time.
- The Jobshop has established its activities across the year, with over 1,300 students on the database by the end of the year. We have worked with over 100 recruiting employers

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

We'll help you discover and connect with Manchester

- Help you get to know the city and its opportunities
- Help you engage with the City through positive community action
- Help you have an amazing social life
- Our innovative Widening Participation and Access work is now intrinsic to the University's Access Agreement and supports students to lead projects encouraging young people to consider University as an option. Access All Areas has over 35 different projects with over 500 students volunteering.
- We have continued to provide high quality support to over 30 student-led community volunteering projects every week, working with people most in need in Greater Manchester. Our volunteers tutor young people in schools, provide triage support to homeless people every evening, support and families living in shelters and improve the environment with community gardening projects. Over 2,700 students volunteer with us through Student Action. We are looking at closer collaboration and integration between our team and the University volunteering team over the next year.
- Following the report last year that our RAG activities had suffered a dip in fundraising, we have restarted this activity with a new committee and staff support over the course of the year. So far, we have raised over £100,000 for local and national charities and we expect this to grow substantially over the next year.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

We'll help you understand and change the world around you

- Help students create change and have a sense of social justice
 - Embed Diversity & Liberation in everything we do
 - Develop alternative models using co-operative principles to help students and their needs
- We have once again had representatives take part in the Manchester City Council student strategy board, taking a far more proactive approach to community engagement. Our Community Officer also attends and contributes to all major residents groups, and we have re-affirmed our partnership with Manchester Student Homes by housing them in our new building. We have piloted a Greater Manchester Student Assembly with the five other Students' Unions across the city region. The GM Mayor has been supportive of the scheme and will be attending the meetings across the next year. There are some key concerns around transport, safety and housing which it will be far more effective to work with others on.
 - We have continued to strongly advocate on student safety issues within the City following our research and that of the University. We have piloted a 'student angel' scheme to support vulnerable students in the night time economy, based on the Village Angels scheme in Manchester City Centre. Although the crime rate has dropped statistically, our students are still vocal about a fear of crime.
 - Our liberation campaigns have gone from strength to strength. Over 3,500 students and community activists took part in the annual reclaim the night march in February, making it the biggest march of its kind in the UK this year. We have improved support for our liberation campaign groups (women, BME, Disabled and LGBT) ensuring a range of high profile campaigns such as Black History Month have been delivered to thousands of students. Through OfS funding, we have created and launched the 'Speak up Stand up' active bystander programme which looks at how students challenge all forms of hate and discrimination.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

We'll build a truly outstanding Students' Union

- Develop our people and our physical facilities to transform our Union
- Become the experts on our students and amplify their voices
- Transform our digital capacity and ensure online delivery of our services
- We completed the final aspects of the major extension to the building following a three year rolling build programme. We have been excited to work with the University to create a cutting-edge Students' Union building, fit for the 21st century.
- We have conducted a series of ground-breaking research projects throughout the year and have spoken to over 6,000 students in a research capacity. Our student life survey engages over 700 students monthly looking at changing satisfaction, happiness, stress, debt etc.
- We further developed work around a customer engagement strategy for the coming year, and have moved to a more programmatic approach for our student events programme to ensure our offer remains relevant to all sections of the student community. We are investing further into student media production facilities to ensure student generated content is at the heart of our output.

Enablers

We're underpinned by sustainable finance and resources

- People
- Pounds
- Place
- Process
- We have continued to undertake work to improve our organisational culture and ensure we are an effective charity, employer of choice and an organisation which empowers our staff to take leading roles in our broader sector. We have seen some improvements in our employee engagement (around 10% increase) scores from our most recent staff survey. We have continued to embed our series of behaviours, standards and competencies which underpin our new performance management framework which is being consulted on and will launch in September 2019.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

- We started the year in a relatively strong position, following careful financial management during the whole period of building closures. The annual accounts for 2017/18 showed a £256k deficit (restated), of which around £170k relates to an accounting increase for the closed SUSS pension scheme. We were able to start the year in compliance with our reserves policy set by our board (at least six months core operating costs and statutory redundancy payments to staff). Over the last few years, our financial strategy has been set to accumulate surpluses to invest in the building work and shield against adverse performance. Whilst the challenges to our catering offer has caused a worsening of our current situation, our cash position relative to other Students' Unions remains strong. We are forecasting a deficit of around £250k in this financial year, prior to our plans returning to surplus next year. We have made an overall contribution to the building project of around £1.75million. For the second year, we have had to undertake a number of cost saving measures to ensure we don't repeat mistakes of organisational history. This has had some short-term impact in our ability to recruit to vacant staff roles. We have seen some positive results from the building work, and footfall has increased by over 36% since the work was completed, and the number of student events has increased 3-fold on the previous two years.
- The three-year rolling financial plan has once again been approved by our trustee board and the Union-University Relationship Committee (UURC). This is underpinned by the three-year block grant agreement with the University, which came to an end in July 2019. We have now agreed a new settlement with the University for the next three years.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

We're driven by brilliant enterprise and services

- Venues
- Bars
- Catering & Retail
- Media Sales/Business development

- We derive much of our unrestricted income from our commercial services, and the Union continues to operate in a fiercely competitive environment. Total trading this year is set to deliver a £750,000 contribution to the Union's bottom line. Around £350k of that contribution comes from the Academy Venues (which have brought over 340,000 onto campus for over 340 shows). Over £400k contribution comes from our media sales agency and job shop. We now provide media sales for 6 students' unions, with two more joining the portfolio over the course of the year. The Academy venues have once again had an outstanding year and have delivered some real stability during a turbulent year for the other trading services.

c. Investment policy and performance

The Union's investments are made after due consideration is given by the Trustees to both environmental and ethical matters and are subject to constant review to ensure that these criteria are met. Investment income for the year amounted to £795 (£740 2018). In addition, the investments generated a loss of £42,343 (2018: £18,931 gain).

Financial review

a. Going concern

COVID-19 has had a material impact on the Union's activities after the reporting period as disclosed on page 31, Note 1: Accounting Policies, Going Concern. The Union has taken advantage of various Government support measures available to organisations to mitigate the financial effect, including use of the Job Retention Scheme. All venues and operations have been closed in line with lockdown measures, forecasts to the end of July 2021 have been produced alongside an analysis of risks and opportunities of matters that may impact on these forecasts.

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

b. Financial risk management objectives and policies

In the year to the 31st July 2019 the Union has recorded a deficit of £694k (£256k, deficit 2018 restated). Following the end of the building project, we expected our commercial services to perform to a better level than has been achieved throughout the year. The level of competition in the local area, coupled with a poor understanding of our core market to develop the right offer has hindered our financial performance. We have made difficult decisions throughout the year, such as a reduction in permanent staffing headcount in the trading areas, and outsourcing to local operators for the year ahead. Whilst this has been an unprecedented time of

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

financial pressure, through careful cash management and cost control, we have been able to maintain our forecasted cash position in line with the reserve policy.

We are grateful for the continued support from the University in terms of our block grant settlement which, which was increased by 1.7% to £2.40m (£2.36m 2017-18) and the additional grants to accelerate projects relating to access, residents' associations and off-campus students. We also recognise the significant investment in the Students' Union building and are grateful for the University's recognition of the mutual benefit of a high performing Students' Union.

Net liabilities have increased by £694k. The Union has a net liability position due to the SUSS pension deficit liability otherwise it would have maintained a positive net asset figure. The deficit is a long term liability for which the Union has an annual repayment plan. A revaluation of the net present value of the deficit increased the liability by £332k.

Principal funding sources

Funding of the Union comes from the University of Manchester block grant which has been confirmed for 2019/20 as £2.46m (with an inflationary increase from 2018/19) and trading activities which, in the year to 31st July 2019, generated income of £4.9m (£4.2m 2018) There is no reason to believe the current level of support from the University of Manchester will not continue over the coming years. A three year funding settlement was re-negotiated during 2018/19 and will continue until 2022.

Expenditure

The expenditure for the year was in line with the objectives set out in the 3 year Strategic Plan to enhance the student experience through representation and activities for our members.

c. Principal risks and uncertainties

The key risks faced by the Union are outline below

Loss of key personnel

There is a high level of staff turnover and historically the Union has not been great at documenting processes. This does mean that when key people leave the organisation they can take valuable skills and insight with them. Mitigating work around developing operational procedures and guides have commenced and will continue over the forthcoming year.

Loss of commercial revenue

Commercial revenues are the second primary funding stream after the block grant. There have been some challenges in the last two years due to closure and poor performance in our catering and retail services. The Union has developed a mixed economy model between internal and outsourced outlets. We have reduced permanent staffing costs, increased scrutiny on regular performance and will be developing a new strategy for our income generating strategy over the coming year.

Contingent Liability

During the previous financial year (2017-18) the charitable company was made aware of a possible increase in the liability for the pension deficit. This relates to a potentially defective amendment made to the closed pension scheme (SUSS). The outcome of this contingent liability is not yet known, and it cannot be quantified at this stage. As a result, the charitable company do not consider it necessary to provide for any additional liabilities in the accounts for the year ended 31 July 2019.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

d. Reserves policy

Overall approach

A detailed 5 year reserve policy has been set by the Board and will allow us to make a substantial investment in our estate during the extension works. In addition, our current financial strategy provides for a modest level of capital expenditure and identifies and allocates funding for the achievement of our strategic aims. The Trustees will continue to review the reserves policy over the forthcoming year. The approach to reserves can be broken down into the following categories:

Total funds as at 31 July 2019 was a deficit of £831,676.

The reserve policy makes a provision for

- Staff notice and redundancy payments
- Legal fees in the event the Union is wound up
- Provision for unforeseen events
- An increase towards the end of the 3 year block agreement to fund three months of non-commercial staff

The minimum unrestricted reserve balance is £500,000.

Unrestricted reserves

The unrestricted reserves stated in the accounts include the pension deficit that is also listed as a creditor. This is a long term liability and would not become due immediately. As such the reserve policy allows for the separating out of the Pension liability and it is the unrestricted balance less the pension deficit to which the policy is applied. This free reserves figures as at 31 July 2019 was £659,084. Management forecast future income and expenditure to ensure that the minimum reserve balance is maintained whilst delivering the best possible student experience..

Designated reserves

Fixed assets and investment funds are held as designated reserves as this is not freely available cash. As at 31 July 2019 these funds stood at £3,859,638 and £764,709 respectively. From time to time the Board may be asked to designate reserves for a specific purpose. The Union currently holds £40,000 as a designated reserve. This is income that was received by the Armitage Trust to further the Unions charitable purposes. Some of this fund has been allocated for student access to activities and student enterprise, the plans for how these funds will be accessed are currently being developed.

Therefore total designated funds as at 31 July 2019 stood at £4,664,348.

Restricted reserves

In addition to the block grant the Union received periodic funding from the University for specific projects. Any balances in these projects are treated as restricted reserves to be used on delivering the aims of the project. Restricted funds as at 31 July 2019 stood at £39,768.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

Structure, governance and management

a. Constitution

The company and the group is registered as a charitable company limited by guarantee and was set up by a Trust deed

The company and the group is constituted under a Trust deed and is a registered charity number 1144146

Governance, structure and management

University of Manchester Students' Union is the Students' Union of the University of Manchester within the meaning of section 22 of the Education Act 1994. It registered as a Private Company Limited by Guarantee on 1st September 2011 and as a Charity on 5th October 2011.

Governing document

University of Manchester Students' Union (henceforth referred to as "the Union") is governed by the Articles of Association.

The Union is required by the Education Act 1994 to be run in accordance with the Code of Practice on the Students' Union as revised from time to time by The University of Manchester.

b. Method of appointment or election of Trustees

The Directors of the Union are the Trustees for the purposes of Charity Law (they are referred to collectively from now onwards as "the Trustees"). The Board of Trustees comprises of up to eight Officer Trustees, up to three Student Trustees and up to three External Trustees.

The Officer Trustees are elected to serve a 12 month term by the student membership of the Union in accordance with the Bye-Law on Elections. Officer Trustees must be students or Officer Trustees at their time of election, and can run for a second consecutive or non-consecutive term of office. They serve in office from 1st July to 30th June in the following year. An Officer Trustee is automatically a member of the Union for their term of office.

The Student Trustees are appointed by the Trustees on the recommendation of the Appointments Panel. They can serve one term of up to two years or until they cease to be a student, whichever is sooner.

The External Trustees are appointed by the Trustees on the recommendation of the Appointments Panel. They serve a term of three years. They are eligible for re-appointment once and can serve a second term. In the term covering these accounts, one external trustee was appointed to join the Board.

c. Policies adopted for the induction and training of Trustees

All Trustees are given a formal induction upon their appointment. The Trustees are offered a variety of training opportunities throughout their time as Trustees, and the Union reviews this regularly. The Chief Executive ensures that ongoing training needs are monitored and responded to.

d. Pay policy for senior staff

The senior staff pay policy is outlined in the remuneration policy approved by the people and Culture Committee. Senior salaries are benchmarked against other students' unions and third sector organisations to

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

ensure that they remain at a level that is competitive and promotes the retention of talent within the Union. This is reviewed annually.

e. Organisational structure and decision making

Organisation structure

The organisation has a staff team headed up by the Chief Executive who is responsible for delivery of activity in line with the strategic framework. Some aspects of decision making are delegated to the staff team as detailed in the scheme of delegated authority. This is reviewed annually and approved by the trustee board

Decision making processes

The Trustees hold ultimate responsibility and decision-making power regarding the affairs of the Union. They are responsible for maintaining legal, financial and reputational integrity of the Union, as well as setting strategy, overseeing governance and directing management and administration. The Trustees are the guardians of all Union assets.

The Union is a democratic organisation and as such there are mechanisms for members of the Union to influence the direction and activities of the Union.

Trustee Board Committees

The Board is supported in its work by four Board Committees: the Governance and Appointments Committee, the Audit and Risk Committee and the People and Culture Committee. And the Student Engagement Committee.

Governance and Appointments

This works on behalf of the Board to interview potential new Trustees and make recommendations. It also makes recommendations on the governance structure of the organisation.

Audit and Risk

This committee is responsible for conducting assurance and risk management on behalf of the Board. In this regard, it conducts detailed scrutiny into the Union's finances and reviews the Union's risk register at its meetings. It also is responsible for assessing the effectiveness of the Union's internal controls. The Committee is responsible for overseeing the Union's relationship with its External Auditors.

People and Culture Committee

This is responsible for oversight of employee policies and for managing matters concerning the remuneration of the Union Director and Officer Trustees.

Student Engagement Committee

This committee is responsible for oversight and scrutiny of the Union's core student engagement work around representation, development and activities. It monitors student satisfaction and develops plans to improve this.

Executive Committee

The Officer Trustees comprise the Executive Committee. The Executive Committee is responsible for representing the views of students, for the implementation of all democratically adopted policy and for providing the political leadership of the Union.

Union Senate and Referendums

The Union convenes the Union Senate on a regular basis. This is the democratic governing body for the union and makes policy that can be submitted by any student. Each Senate is made up of around 70 elected student officers and 20 randomly selected students, to ensure that the panel is representative of the whole student population. Decisions on policy may also be referred to a referendum of all students to make a decision.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

f. Related party relationships

Relationship with the University of Manchester

Under the Education Act 1994, the University of Manchester has a statutory duty to take such steps as are reasonably practicable to ensure that the Union operates in a fair and democratic manner and is held to proper account for its finances. The Union therefore works alongside the University of Manchester in ensuring that the affairs of the Union are properly conducted and that the educational and welfare needs of the Union's members are met. The formal relationship with the University is governed by a Code of Practice and the Union works closely with the University and its students to develop appropriate Bye-Laws for its working practices. The University of Manchester is not a related party as defined by the Charities FRS 102 Statement of Recommended Practice (SORP).

The Senior Management of the University, the Officer Trustees and the Union's senior management team meet regularly in the University-Union Relations Committee, which examines the activities and finances of the Union. Two Officer Trustees are members of the University Board of Governors and Officer Trustees also sit on its Senate and General Assembly. The Union is financially dependent upon the support of the University; in 2018/19 its block grant comprised £2.40m.

Subsidiary Undertakings

During the year the Union operated two trading subsidiaries, Manchester Academy Venues Ltd (company number 8638433) and Th1rt3en Ltd (company number 10854553). Both are related parties under FRS 102, and the Union is the controlling party.

Relationship to the National Union of Students

The Students' Union is a member of the National Union of Students (NUS). This is a national federation of Students' Unions. The Students' Union co-operates with NUS and other Student Unions in pursuit of some of its charitable objectives. This co-operation relates mainly to campaigning on national student issues and support from NUS with organisational development as well as membership of a purchasing consortium.

g. Risk management

The Trustee Board is responsible for ensuring that the Students' Union has a robust approach to the management of opportunities and risks, and the Audit and Risk Sub-committee reviews the highest strategic level risks on a regular basis through a delegation of authority. The operational Health, Safety and Legal committee have regular oversight of the risk register and are responsible for liaising with departments to ensure that it remains up to date. A range of systems and processes are in place to mitigate the risks faced by the Students' Union.

Financial and control risks are mitigated through a robust budget management process and supporting policies and procedures for the authorisation and processing of transactions. Procedures are also in place to ensure legal compliance with Health and Safety and Employment Law and to safeguard staff, volunteers and participants in all activities organised by the Students' Union. These procedures are regularly reviewed to ensure that they meet the needs of the Students' Union. The Trustees believe that all major risks are appropriately addressed and mitigated.

g. Public benefit statement

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2014 to have due regards to the guidance published by the Charity Commission regarding public benefit as detailed in the achievements and performance section of this report.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

h. Effective Governance

The Union has adopted the Code of Good Governance for the Voluntary Sector, and has applied all recommended standards to its work. The trustees have conducted a full audit against the standards, and this will remain an annual commitment on the cycle of business for the board.

The trustees took part in an external audit of board effectiveness provided by the National Union of Students (NUS) during the year. This audit assessed the board against a series of indicators specifically developed for Students' Union boards. A resultant action plan has been developed to drive improvements across the next year.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

Plans for future periods

a. Future developments

The table below outlines the operational priorities for 2019/20 and the key initiatives that will be delivered by teams in support of the strategic plan. They are split using a balanced scorecard which is cascaded through each team for monitoring and evaluation purposes.

Risk/success factor1	Priorities	Success Factor - KPI's	Directorate priorities		
			DFR	DSE	DSS
Stakeholder	What next planning for the future	Student engagement statistics			Extending reach with under-represented groups in particular as PG & international students
	Extending our reach				
	Achieving excellence & communicating impact				
People	Making UMSU a truly great place to work	Staff engagement statistics	Improving the student staff experience	Working on internal communications	Staff wellbeing & employee morale
	<ul style="list-style-type: none"> Learning & development strategy Reset values/culture Developing/embedding performance management framework Induction 			Developing culture of positive challenge Improving learning & development activity	
Process	Building sustainable foundations – cross directorate	Team SLA's (**)	Communication & training in P&P for all staff	Develop a commercial dashboard	Embedding diversity & inclusion in planning processes
	<ul style="list-style-type: none"> Communication (breaking down silos, consistency, understanding, collaboration) Evidence-led/insight informed Creating management forum 		Adopting a project management approach to delivery		Becoming outcome focused, insight led and better able to measure our work
Financial	<ul style="list-style-type: none"> Financial stability 	Commercial KPI's	Embedding financial control processes		Providing value for money in our services

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

Funds held as custodian

The University of Manchester Students' Union acts as custodian for several activities:

Clubs & Societies including Residents Associations

Funds raised by the many clubs and societies run by its members and funds held on behalf of the Resident's Associations of the University halls of residence to operate representation and social activities - these funds are separately identified in the finance system and the balance at the year-end was £0.36m (£0.34m 2018).

RAG

Funds raised by students under the RAG (Raising and Giving) initiative for distribution to nominated charities. £34k was raised in the year.

The Union itself did not have any fundraising activities under section S162A of the Charities Act 2011.

Trustees' responsibilities statement

The Trustees (who are also directors of University of Manchester Students' Union for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

This report was approved by the Trustees, on 28 July 2020 and signed on their behalf by:



Kwame Asamoah-Kwarteng, General Secretary

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF MANCHESTER
STUDENTS' UNION**

Opinion

We have audited the financial statements of University of Manchester Students' union (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2019 set out on pages 26 to 51. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2019 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF MANCHESTER STUDENTS' UNION

on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Group Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Group Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Group Strategic Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; 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.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF MANCHESTER
STUDENTS' UNION**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Jayson (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT
Date: 28 July 2020

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2019**

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	As restated Total funds 2018 £
	Note				
Income from:					
Donations and legacies	2	2,402,351	225,172	2,627,523	2,545,350
Charitable activities	3	224,035	-	224,035	275,229
Other trading activities	4	4,855,936	-	4,855,936	4,167,422
Investments	5	795	-	795	740
Total income		7,483,117	225,172	7,708,289	6,988,741
Expenditure on:					
Raising funds	6	5,093,461	-	5,093,461	4,536,853
Charitable activities	7	2,688,624	236,396	2,925,020	2,602,372
Other expenditure	8	341,281	-	341,281	124,590
Total expenditure	9	8,123,366	236,396	8,359,762	7,263,815
Net expenditure before investment gains/(losses)		(640,249)	(11,224)	(651,473)	(275,074)
Net gains/(losses) on investments	14	(42,343)	-	(42,343)	18,931
Net expenditure before other recognised gains and losses		(682,592)	(11,224)	(693,816)	(256,143)
Net movement in funds		(682,592)	(11,224)	(693,816)	(256,143)
Reconciliation of funds:					
Total funds brought forward		(188,852)	50,992	(137,860)	118,283
Total funds carried forward		(871,444)	39,768	(831,676)	(137,860)

The notes on pages 30 to 51 form part of these financial statements.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)
REGISTERED NUMBER: 7759820

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Intangible assets	12		-		39,096
Tangible assets	13		3,859,638		3,279,487
Investments	14		764,709		807,052
			<u>4,624,347</u>		<u>4,125,635</u>
Current assets					
Stocks	15	77,337		77,745	
Debtors	16	664,800		362,141	
Investments	17	181,399		181,399	
Cash at bank and in hand		865,176		2,123,479	
			<u>1,788,712</u>	<u>2,744,764</u>	
Creditors: amounts falling due within one year	18	(1,761,492)		<u>(1,200,314)</u>	
Net current assets			<u>27,220</u>		<u>1,544,450</u>
Total assets less current liabilities			<u>4,651,567</u>		<u>5,670,085</u>
Creditors: amounts falling due after more than one year	19		<u>(5,483,243)</u>		<u>(5,807,945)</u>
Net liabilities			<u><u>(831,676)</u></u>		<u><u>(137,860)</u></u>
Charity Funds					
Restricted funds	21		39,768		50,992
Unrestricted funds	21		(871,444)		(188,852)
Total deficit			<u><u>(831,676)</u></u>		<u><u>(137,860)</u></u>

The financial statements were approved and authorised for issue by the Trustees on 28 July 2020 and signed on their behalf, by:



Kwame Asamoah-Kwarteng, General Secretary

The notes on pages 30 to 51 form part of these financial statements.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)
REGISTERED NUMBER: 7759820

COMPANY BALANCE SHEET
AS AT 31 JULY 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Intangible assets	12		-		39,096
Tangible assets	13		3,859,638		3,279,487
Investments	14		764,725		807,068
			<u>4,624,363</u>		<u>4,125,651</u>
Current assets					
Stocks	15	44,616		45,105	
Debtors	16	844,681		633,490	
Investments	17	181,399		181,399	
Cash at bank and in hand		506,523		1,554,459	
			<u>1,577,219</u>	<u>2,414,453</u>	
Creditors: amounts falling due within one year	18	(1,551,769)		(898,732)	
Net current assets			<u>25,450</u>		<u>1,515,721</u>
Total assets less current liabilities			<u>4,649,813</u>		<u>5,641,372</u>
Creditors: amounts falling due after more than one year	19		<u>(5,483,243)</u>		<u>(5,759,385)</u>
Net liabilities			<u><u>(833,430)</u></u>		<u><u>(118,013)</u></u>
Charity Funds					
Restricted funds			39,661		50,991
Unrestricted funds			(873,091)		(169,004)
Total deficit			<u><u>(833,430)</u></u>		<u><u>(118,013)</u></u>

The financial statements were approved and authorised for issue by the Trustees on 28 July 2020 and signed on their behalf, by:



Kwame Asamoah-Kwarteng, General Secretary

The notes on pages 30 to 51 form part of these financial statements.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	23	63,616	443,516
Cash flows from investing activities:			
Dividends, interest and rents from investments		795	739
Purchase of fixed assets		(1,322,714)	(459,318)
Net cash used in investing activities		(1,321,919)	(458,579)
Change in cash and cash equivalents in the year		(1,258,303)	(15,063)
Cash and cash equivalents brought forward		2,304,878	2,319,941
Cash and cash equivalents carried forward	24	1,046,575	2,304,878

The notes on pages 30 to 51 form part of these financial statements.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

University of Manchester Students' union meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

University of Manchester Students' union constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

University of Manchester Students' Union is a private charitable company limited by guarantee, incorporated in England and Wales. Further general information can be found on page 1.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. Accounting Policies (continued)

1.3 Going concern

UMSU meets its day-to-day working capital requirements through its banking facilities, cash holdings and the strong relationships it has with its funders. The Union's original forecasts and projections, taking account of previous likely changes in student numbers, show that UMSU should be able to operate within the level of its current facility and is assessing opportunities to generate cash to ensure liquidity in the medium term. The Union has also taken steps to utilise the various support mechanisms instigated by the UK Government, including use of the Coronavirus Job Retention Scheme and HMRC's Time to Pay Scheme.

At the time of approval of these financial statements, the Covid-19 virus continues to develop and has been designated a global pandemic by the World Health Organisation. University campuses are now closed with teaching moving online until further notice and the government has announced measures that will likely cap student admissions for those starting in September 2020. Both short-term and long-term effects of the rapidly escalating situation are unknown. As for many businesses at this time, the Trustees consider that there is potential for significant impact on the Union's key services and other commercial operations. The University has tentative plans to allow some small group work in the first semester of 2020/21. The Trustees have undertaken planning and forecasting and continue to closely monitor the developing situation with a base scenario, areas where variables may differ and the impact of these. Despite the current circumstances the Trustees believe that the company's financial resources and contingency planning is sufficient to ensure the ability of the company to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and due to the options outlined above to the Union means there is not a material uncertainty as to whether the company can continue as a going concern and have prepared the financial statements on a going concern basis.

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. Accounting Policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.6 Basis of consolidation

The financial statements consolidate the accounts of University of Manchester Students' union and all of its subsidiary undertakings ('subsidiaries').

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the company was £625,278 deficit (2018 - £234,544 deficit).

1.7 Intangible fixed assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Computer software	-	3 years straight line
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

1. Accounting Policies (continued)

1.8 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	Over 55 years
Academy refurbishment	-	5% - 20% straight line
Fixtures and fittings	-	5% - 33% straight line
Union refurbishment	-	10% - 20% straight line

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.

1.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. Accounting Policies (continued)

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.16 Pensions

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

Where the charity has entered into an agreement to fund a deficit in the scheme, the charity recognises a liability for the contributions payable that arise from the agreement and recognise the resulting expense in the Statement of Financial Activities.

The charity also participates in the NUS Pension Scheme (NUSPS), a defined contributions scheme. Contributions are accounted for as paid throughout the year.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. Accounting Policies (continued)

1.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.18 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The Union occupies the premises on a rent free basis from the University. No donation in kind can be estimated in respect of this arrangement due to the bespoke nature of the building and its location.

Critical areas of judgment:

The items in these financial statements where these judgements and estimates have been made include assumptions around financial assets and liabilities of pension scheme contributions and, the discount rate applied thereto.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

2. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other voluntary income	-	225,172	225,172	182,163
University Block Grant	2,402,351	-	2,402,351	2,363,187
	<u>2,402,351</u>	<u>225,172</u>	<u>2,627,523</u>	<u>2,545,350</u>
Total donations and legacies	<u>2,402,351</u>	<u>225,172</u>	<u>2,627,523</u>	<u>2,545,350</u>
<i>Total 2018</i>	<u>2,341,160</u>	<u>204,190</u>	<u>2,545,350</u>	

3. Income from charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Membership support	3,185	-	3,185	4,586
Education & Advocacy	5,250	-	5,250	28
Union events & visitor service	206,895	-	206,895	233,348
Communications	600	-	600	6,074
Other	8,105	-	8,105	31,193
	<u>224,035</u>	<u>-</u>	<u>224,035</u>	<u>275,229</u>
<i>Total 2018</i>	<u>275,229</u>	<u>-</u>	<u>275,229</u>	

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

4. Fundraising income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bars	785,723	-	785,723	565,374
Catering	256,971	-	256,971	217,880
Job shop	3,758	-	3,758	-
Retail	182,498	-	182,498	102,022
Turnover from trading subsidiaries	3,626,986	-	3,626,986	3,282,146
	<u>4,855,936</u>	<u>-</u>	<u>4,855,936</u>	<u>4,167,422</u>
<i>Total 2018</i>	<u>4,167,422</u>	<u>-</u>	<u>4,167,422</u>	

5. Investment income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	795	-	795	740
	<u>795</u>	<u>-</u>	<u>795</u>	<u>740</u>
<i>Total 2018</i>	<u>740</u>	<u>-</u>	<u>740</u>	

6. Costs of raising funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bars	337,052	-	337,052	253,724
Catering	151,521	-	151,521	189,775
Retail	133,421	-	133,421	73,445
Expenditure of trading subsidiaries	1,986,103	-	1,986,103	1,603,110
Allocated support costs	748,022	-	748,022	765,196
Pay Costs	1,145,209	-	1,145,209	1,069,202
Depreciation	592,133	-	592,133	582,401
	<u>5,093,461</u>	<u>-</u>	<u>5,093,461</u>	<u>4,536,853</u>
<i>Total 2018</i>	<u>4,536,853</u>	<u>-</u>	<u>4,536,853</u>	

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

7. Analysis of expenditure on charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Membership support	677,131	-	677,131	726,004
Education & Advisory	961,796	-	961,796	783,924
Union events & visitor service	526,773	-	526,773	465,892
Communications	481,413	-	481,413	364,612
Grant funded projects	-	236,396	236,396	225,672
Governance costs	41,511	-	41,511	36,268
	<u>2,688,624</u>	<u>236,396</u>	<u>2,925,020</u>	<u>2,602,372</u>
<i>Total 2018</i>	<u>2,376,698</u>	<u>225,674</u>	<u>2,602,372</u>	

8. Other expenditure

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
SUSS Pension Movement	<u>341,281</u>	<u>341,281</u>	<u>124,590</u>
<i>Total 2018</i>	<u>124,590</u>	<u>124,590</u>	

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

9. Analysis of Expenditure by expenditure type

	Staff costs 2019 £	Depreciation 2019 £	Other costs 2019 £	Total 2019 £	<i>Total 2018 £</i>
Expenditure on raising voluntary income	1,145,209	592,133	3,356,119	5,093,461	4,536,853
Costs of raising funds	1,145,209	592,133	3,356,119	5,093,461	4,536,853
Membership support	273,170	44,880	359,081	677,131	726,004
Education & Advisory	458,488	48,075	455,233	961,796	783,924
Union events & visitor service	149,579	18,262	358,932	526,773	465,892
Communications	233,803	18,028	229,582	481,413	364,612
Grant funded projects	200,581	-	35,815	236,396	225,672
Governance costs	22,376	2,080	17,055	41,511	36,268
Charitable activities	1,337,997	131,325	1,455,698	2,925,020	2,602,372
SUSS Pension Cost	-	-	341,281	341,281	124,590
	2,483,206	723,458	5,153,098	8,359,762	7,263,815
<i>Total 2018</i>	<i>2,283,636</i>	<i>586,527</i>	<i>4,393,652</i>	<i>7,263,815</i>	

10. Net income/(expenditure)

This is stated after charging:

	2019 £	<i>2018 £</i>
Depreciation of tangible fixed assets:		
- owned by the charitable group	677,404	586,527
Amortisation of intangible fixed assets	52,146	25,054
Auditor's remuneration - audit	10,000	13,800
Auditor's remuneration - other services	3,200	-

During the year, Trustees received remuneration of £159,223 (2018 - £156,263) and related employer pension costs of £3,901 (2018 - £3,096) comprising of the cost of employing the 8 (2018 - 8) sabbatical representation officers.

During the year, no Trustees received any benefits in kind (2018 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2018 - £5,593).

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

11. Staff costs

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	2,204,290	2,030,575
Social security costs	196,583	180,314
Other pension costs	82,333	72,747
	2,483,206	2,283,636

The average number of persons employed by the company during the year was as follows:

	2019	2018
	No.	No.
Manchester Academy Venues	22	21
Media Sales	3	2
Union Commercial	29	28
Marketing and communication	9	8
Membership support	15	20
Student voice	23	15
Union events and visitor services	7	7
House	5	5
Finance and resource	7	6
Central	4	5
	124	117

The number of higher paid employees was:

	2019	2018
	No.	No.
In the band £60,001 - £70,000	1	1

Key management consists of officer trustees and the chief executive officer as detailed on page 1. Their aggregate remuneration (including employer pension costs) totalled £228,279 (2018 - £226,582) during the year.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

12. Intangible fixed assets

Group and Company	Licences £
Cost	
At 1 August 2018	77,492
Additions	94,501
Transfer to Tangible Fixed Assets	(139,453)
	<hr/>
At 31 July 2019	32,540
	<hr/>
Amortisation	
At 1 August 2018	38,396
Charge for the year	52,146
Transfer to Tangible Fixed Assets	(58,002)
	<hr/>
At 31 July 2019	32,540
	<hr/>
Carrying amount	
At 31 July 2019	-
	<hr/> <hr/>
<i>At 31 July 2018</i>	39,096
	<hr/> <hr/>

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

13. Tangible fixed assets

Group and Company	Leasehold property £	Academy Refurb £	Fixtures and fittings £	Union Refurb £	Total £
Cost					
At 1 August 2018 (as previously stated)	1,247,798	4,083,070	1,074,126	2,341,964	8,746,958
Prior year adjustment	-	(93,775)	-	-	(93,775)
At 1 August 2018 (as restated)	1,247,798	3,989,295	1,074,126	2,341,964	8,653,183
Additions	-	-	100,406	1,127,807	1,228,213
Disposals	-	-	(20,715)	(59,050)	(79,765)
Transfer between classes	-	-	139,453	-	139,453
At 31 July 2019	1,247,798	3,989,295	1,293,270	3,410,721	9,941,084
Depreciation					
At 1 August 2018	1,021,341	2,479,693	823,113	1,049,549	5,373,696
Charge for the year	22,646	221,824	117,668	315,266	677,404
On disposals	-	-	-	(27,656)	(27,656)
Transfer between classes	-	-	58,002	-	58,002
At 31 July 2019	1,043,987	2,701,517	998,783	1,337,159	6,081,446
Net book value					
At 31 July 2019	203,811	1,287,778	294,487	2,073,562	3,859,638
At 31 July 2018 (as restated)	226,457	1,509,602	251,013	1,292,415	3,279,487

14. Fixed asset investments

Group	Unlisted securities £
Market value	
At 1 August 2018	807,052
Revaluations	(42,343)
At 31 July 2019	764,709

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

14. Fixed asset investments (continued)

Group investments at market value comprise:

	2019 £	2018 £
Unlisted investments	764,709	807,052

All the fixed asset investments are held in the UK

	Unlisted securities £	Sub total carried forward £
Company		
Market value		
At 1 August 2018	807,066	807,066
Revaluations	(42,343)	(42,343)
At 31 July 2019	764,723	764,723

	Sub total brought forward £	Shares in group undertakings £	Total £
Company			
Market value			
At 1 August 2018	807,066	2	807,068
Revaluations	(42,343)	-	(42,343)
At 31 July 2019	764,723	2	764,725

Company investments at market value comprise:

	2019 £	2018 £
Unlisted investments	764,723	807,053
Group	2	15
Total	764,725	807,068

All the fixed asset investments are held in the UK

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

15. Stocks

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Finished goods and goods for resale	77,337	77,745	44,616	45,105

16. Debtors

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	223,238	219,290	94,805	146,874
Amounts owed by group undertakings	-	-	84,198	392,872
Other debtors	158,521	29,453	623,167	28,995
Prepayments and accrued income	283,041	113,398	42,511	64,749
	664,800	362,141	844,681	633,490

17. Current asset investments

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Unlisted investments	181,399	181,399	181,399	181,399

18. Creditors: Amounts falling due within one year

	Group		Company	
	2019	<i>As restated</i> 2018	2019	<i>As restated</i> 2018
	£	£	£	£
Other loans	4,914	8,047	4,914	8,047
Trade creditors	115,679	111,735	43,124	44,266
Amounts owed to group undertakings	-	-	367,250	-
Other taxation and social security	141,983	88,850	75,935	62,360
Other creditors	835,133	560,289	786,963	515,529
Accruals and deferred income	663,783	431,393	273,583	268,530
	1,761,492	1,200,314	1,551,769	898,732

Included within creditors are amounts held on behalf of student clubs and societies. The total held as at 31 July 2019 was £356,954 (2018: £341,920).

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

18. Creditors: Amounts falling due within one year (continued)

19. Creditors: Amounts falling due after more than one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Other creditors	5,483,243	5,759,385	5,483,243	5,759,385
Accruals and deferred income	-	48,560	-	-
	5,483,243	5,807,945	5,483,243	5,759,385

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Company	
	2019	<i>Restated</i> 2018	2019	<i>Restated</i> 2018
	£	£	£	£
Repayable by instalments	4,415,465	4,387,994	4,415,465	4,387,994

20. Prior year adjustment

There have been two prior period adjustments which have been made in the financial statements.

The first relates to the incorrect recognition of £93,775 of fixed asset additions which were accrued for in the 2017/18 financial statements, resulting in the overstatement of fixed assets and accruals by this amount. The deficit for the year as previously reported is unchanged in this regard.

The second adjustment relates to gift aid income recognised in 2017/18 from Th1rt3en Limited to the University of Manchester Students' Union ("UMSU"). Output VAT was incorrectly recognised as income resulting in income and closing reserves being overstated and creditors understated by £21,600.

	£
Reserves as at 31 July 2018 as previously reported	(116,260)
Fixed Assets	-
Output VAT	<u>(21,600)</u>
Restated reserves as at 31 July 2018	(137,860)

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

21. Statement of funds

Statement of funds - current year

	Balance at 1 August 2018 <i>As restated</i> £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
Designated funds						
Fixed asset reserve	3,279,487	-	(723,459)	1,303,610	-	3,859,638
Investment reserve	807,053	-	-	-	(42,343)	764,710
Robert Armitage Trust	40,000	-	-	-	-	40,000
	<u>4,126,540</u>	<u>-</u>	<u>(723,459)</u>	<u>1,303,610</u>	<u>(42,343)</u>	<u>4,664,348</u>
General funds						
General Funds	1,538,204	7,483,117	(7,058,627)	(1,641,562)	-	321,132
SUSS pension deficit	(5,853,596)	-	(341,280)	337,952	-	(5,856,924)
	<u>(4,315,392)</u>	<u>7,483,117</u>	<u>(7,399,907)</u>	<u>(1,303,610)</u>	<u>-</u>	<u>(5,535,792)</u>
Total Unrestricted funds	<u>(188,852)</u>	<u>7,483,117</u>	<u>(8,123,366)</u>	<u>-</u>	<u>(42,343)</u>	<u>(871,444)</u>
Restricted funds						
Restricted projects	<u>50,992</u>	<u>225,172</u>	<u>(236,396)</u>	<u>-</u>	<u>-</u>	<u>39,768</u>
Total of funds	<u><u>(137,860)</u></u>	<u><u>7,708,289</u></u>	<u><u>(8,359,762)</u></u>	<u><u>-</u></u>	<u><u>(42,343)</u></u>	<u><u>(831,676)</u></u>

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 August 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 July 2018 As restated £</i>
Designated funds						
Fixed asset reserve	3,434,599	-	(586,527)	431,415	-	3,279,487
Investment reserve	776,592	-	-	11,530	18,931	807,053
Robert Armitage Trust	40,000	-	-	-	-	40,000
	<u>4,251,191</u>	<u>-</u>	<u>(586,527)</u>	<u>442,945</u>	<u>18,931</u>	<u>4,126,540</u>
General funds						
General Funds	1,836,776	6,784,545	(6,327,016)	(756,101)	-	1,538,204
SUSS pension deficit	(6,042,162)	-	(124,590)	313,156	-	(5,853,596)
	<u>(4,205,386)</u>	<u>6,784,545</u>	<u>(6,451,606)</u>	<u>(442,945)</u>	<u>-</u>	<u>(4,315,392)</u>
Total Unrestricted funds	<u>45,805</u>	<u>6,784,545</u>	<u>(7,038,133)</u>	<u>-</u>	<u>18,931</u>	<u>(188,852)</u>
Restricted funds						
Restricted project funds	72,476	204,190	(225,674)	-	-	50,992
Total of funds	<u>118,281</u>	<u>6,988,735</u>	<u>(7,263,807)</u>	<u>-</u>	<u>18,931</u>	<u>(137,860)</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	3,859,638	-	3,859,638
Fixed asset investments	764,709	-	764,709
Current assets	1,748,944	39,768	1,788,712
Creditors due within one year	(1,761,492)	-	(1,761,492)
Creditors due in more than one year	(5,483,243)	-	(5,483,243)
	<u>(871,444)</u>	<u>39,768</u>	<u>(831,676)</u>

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Intangible fixed assets	39,096	-	39,096
Tangible fixed assets	3,279,487	-	3,279,487
Fixed asset investments	807,052	-	807,052
Current assets	2,693,772	50,992	2,744,764
Creditors due within one year	(1,200,314)	-	(1,200,314)
Creditors due in more than one year	(5,807,945)	-	(5,807,945)
	<u>(188,852)</u>	<u>50,992</u>	<u>(137,860)</u>

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group	
	2019	2018
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(693,816)	(256,143)
Adjustment for:		
Depreciation charges	729,550	611,581
Gains/(losses) on investments	42,343	(18,931)
Dividends, interest and rents from investments	(795)	(739)
Loss on the sale of fixed assets	52,109	-
Decrease/(increase) in stocks	408	(15,484)
(Increase)/decrease in debtors	(302,659)	117,150
Increase in creditors	236,476	6,082
Net cash provided by operating activities	63,616	443,516

24. Analysis of cash and cash equivalents

	Group	
	2019	2018
	£	£
Cash in hand	865,176	2,123,479
Notice deposits (less than 3 months)	181,399	181,399
Total	1,046,575	2,304,878

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

25. Pension commitments

The Union participates in the Students' Union Superannuation Scheme, which is a defined benefit scheme whose membership consists of employees of students' unions and related bodies throughout the country. Benefits in respect of service up to 30 September 2003 are accrued on a "final salary" basis, with benefits in respect of service from 1 October 2003 accruing on a Career Average Revalued Earnings (CARE) basis. With effect from 30 September 2011 the Scheme closed to future accrual.

The most recent valuation of the Scheme was carried out as at 30 June 2016 and showed that the market value of the Scheme's assets was £101 million, with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £120 million.

The assumptions applied at 30 June 2016:

1. The investment on retrain would be 4.3% per annum before retirement and 2.3% per annum after retirement.
2. Pensions accruing on the CARE basis would revalue at 3.2%.
3. Present and future pensions would increase at rates specified by Scheme rules where appropriate where these are dependent on inflation.

The 2016 Valuation recommended a monthly contribution requirement by each participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 15 years and will increase by at least 5% each year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2004 and will be formally reviewed following completion of the next Valuation due with an effective date of 30 June 2019. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. See note 18 and 19 for the liability recognised under the currently agreed deficit funding plan expiring September 2033. Liabilities are shown on a discounted present value basis. In addition to the above contributions, the Union also pays its share of the Scheme's levy to the Pension Protection Fund.

The total contributions paid into the Scheme by the Union in respect of eligible employees for the year amounted to £nil (2018 £nil).

The closed SUSS pension has been replaced with a new scheme provided by Aegon on behalf of NUS. All existing members of the SUSS scheme have been transferred to the NUS Pension Scheme (NUSPS) following consultation with Unison. NUSPS is a defined contribution scheme. Contributions to this scheme commenced on October 2011. Contributions paid into the scheme by the Union for the year amounts to £83,497 (2018: £72,746). Contributions totalling £20,219 (2018: £20,049) were payable to the fund at the balance sheet date and are included in creditors.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

26. Operating lease commitments

At 31 July 2019 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2019	2018
	£	£
Amounts payable:		
Within 1 year	12,640	2,426
Between 1 and 5 years	50,560	-
Total	63,200	2,426

At 31 July 2019 the company had annual commitments under non-cancellable operating leases as follows:

Company		
Amounts payable:		
Within 1 year	12,640	2,426
Between 1 and 5 years	50,560	-
Total	63,200	2,426

27. Related party transactions

The Union is in receipt of a recurrent grant from the University of Manchester of £2,402,351 (2018: £2,363,187). As explained in the Trustees Report, the University is not considered to be a related party.

In addition the Union occupies its building on a rent free basis under an informal licence subject to the Union maintaining the building in a good state of repair. No donation in kind can be recognised in respect of this arrangement due to the bespoke nature of the building and its location.

At the year end, the Union owed the University of Manchester £4,914 (2018: £8,047) in respect of interest free loans given to them which are being paid monthly, the final instalment being due in 2020.

The two trading subsidiaries are considered to be related parties. The available exemption for transactions with wholly owned subsidiaries under Section 20 FRS 102 has been taken.

UNIVERSITY OF MANCHESTER STUDENTS' UNION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

28. Principal subsidiaries

Manchester Academy Venues Limited

Subsidiary name	Manchester Academy Venues Limited
Company registration number	08638433
Basis of control	Sole share holder
Equity shareholding %	100%
Total assets as at 31 July 2019	£ 902,931
Total liabilities as at 31 July 2019	£ (902,930)
Total equity as at 31 July 2019	£ 1
Turnover for the year ended 31 July 2019	£ 3,166,615
Expenditure for the year ended 31 July 2019	£ (2,780,057)
Profit for the year ended 31 July 2019	£ 386,953

Th1rt3en Limited

Subsidiary name	Th1rt3en Limited
Company registration number	10854553
Basis of control	Sole share holder
Equity shareholding %	100%
Total assets as at 31 July 2019	£ 286,352
Total liabilities as at 31 July 2019	£ (286,351)
Total equity as at 31 July 2019	£ 1
Turnover for the year ended 31 July 2019	£ 460,371
Expenditure for the year ended 31 July 2019	£ (114,990)
Profit for the year ended 31 July 2019	£ 345,407