

Registered number: 07759820
Charity number: 1144146

University of Manchester Students' Union

Trustees report and financial statements

For the Year Ended 31 July 2016



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 - 19
Independent auditors' report	20 - 21
Consolidated statement of financial activities	22
Consolidated income and expenditure account	22
Consolidated balance sheet	23
Company balance sheet	24
Consolidated cash flow statement	25
Notes to the financial statements	26 - 47

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 2016

Trustees

Jan Sowa, External trustee
Elizabeth Cameron, External trustee
Stephen Williamson, External trustee (resigned 18 September 2015)
Kavit Shah, Officer trustee (resigned 30 June 2016)
Haider Saleem, Officer trustee (resigned 30 June 2016)
Mohammed Nagdee, Officer trustee (appointed 1 July 2016)
Leigh Johnson, Officer trustee (appointed 1 September 2016)
Sara Khan, Officer trustee (appointed 1 September 2016)
Daniel Lashley-Johnson, Officer trustee (appointed 1 September 2016)
Naa Acquah, Officer trustee
Jessica Lishak, Officer trustee (resigned 30 June 2016)
Hannah McCarthy, Officer trustee (resigned 30 June 2016)
Michael Spence, Officer trustee (resigned 9 June 2016)
Harriet Pugh, Officer trustee (resigned 30 June 2016)
Joel Smith, Officer trustee (resigned 30 June 2016)
Natasha Brooks, Officer trustee (resigned 30 June 2016)
Lucy Hallam, Officer trustee (resigned 30 June 2016)
Emma Atkins, Officer trustee (appointed 1 July 2016)
Sorcha Floyd, Officer trustee (appointed 1 July 2016)
Isabel Gurbuz, Officer trustee (appointed 1 July 2016)
Saffa Mir, Officer trustee (appointed 1 July 2016)
Tamara O'Neill, Officer trustee (appointed 1 July 2016)
Jennifer Smyth, Officer trustee (appointed 1 July 2016)

Company registered number

07759820

Charity registered number

1144146

Registered office

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

Chief executive officer

Ben Ward

Independent auditors

Dains LLP, Suite 2, Albion House, 2 Etruria Office Village, Forge Lane, Etruria, Stoke on Trent, ST1 5RQ

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 2016

The Trustees present their annual report together with the audited financial statements of University of Manchester Students' Union for the year 1 August 2015 to 31 July 2016.

Objectives and Activities

a. Policies and objectives

The 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.

b. Strategies and activities for achieving objectives

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 vision is to be a thriving, active and inclusive Students' Union, with a powerful voice, adapting and delivering relevant change for students and at the heart of student life.

The Union's values are:

- Student Led: We are led by students in everything we do and actively develop student leaders
- Diverse and Equal: 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
- Creative and Fun: We encourage new ideas and enjoyment for our students, staff and partners
- Ambitious and 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

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

The Union has come to the end of the final year of a three year strategic plan, taking the organisation through the period 2013-16. The Plan was developed through a process of stakeholder research and consultation and is the first plan to look ahead more than one year into the future. Over the last year, the organisation has undertaken a strategic review process to take it up to 2020. The current plan is divided into 4 themes:

- **Activities & Development:** We will improve support for activity leaders, creating more leadership roles and offering students more excellent opportunities to build friendships and communities, all of which will enhance their skills for the future.
- **Student Voice:** We encourage and facilitate students to make positive changes for each other and the world around them and have a proud heritage of campaigning. We will build on these strong foundations to ensure that every student can express their voice through the Students' Union
- **Insight & innovation:** We will ensure we have the insight into student life to create services and activities that offer excellent student experiences.
- **Service Delivery:** Our services and facilities, whether venues, catering, bars, shops or advice, seek to provide the best possible service for students

Each theme is the responsibility of a 'theme champion' who reports on progress and brings together cross-organisational project teams. An operating plan is developed for each of the years to ensure individual and team objectives are tied to the strategy and progress can be measured by managers and trustees.

University of Manchester Students' Union
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 July 2016

Achievements and performance

a. Key financial performance indicators

Area	Responsible	Type	2014/15 Performance	2015/16 Target	Current YTD Performance	Progress
TOP LINE KEY PERFORMANCE INDICATORS						
Student satisfaction with UMSU	BW	IMPACT	75%	80%		○
Annual Election Turnout	PC	IMPACT	13284	13500	11478	●
Commercial surplus to reinvest in the union	EG	OUTCOME	£821,804	£721,188	£738,080	●
Staff satisfaction with Learning & Development outcomes	RE	OUTCOME	88%	75%	88%	●
Total student memberships in Student Activities	PC	IMPACT	30747	32000	32534	●
STRATEGIC THEMES						
Activities & Development						
Number of society members	PC	OUTCOME	12864	13,000	13,835	●
Number of student action volunteers	PC	OUTCOME	2829	3,000	3,058	●
Rag Total - amount raised	PC	IMPACT	200000	£250,000	£400,000	●
Number of societies registered with the Union	PC	OUTCOME	438	440	485	●
Investors In Volunteering Standard Achieved	PC	OUTCOME	Not achieved	YES	NO	●
Online Activities Registration system set up and launched	PC	OUTPUT	Not achieved	YES	YES	●
Number of SU award nominations	PC	OUTCOME	1423	1500	1605	●
Voice						
Number of registered representatives	TM	OUTCOME	1430	1450	1480	●
New Democratic model fully implemented	PC	OUTCOME	Developed	YES	YES	●
Rep training programme developed and overall satisfaction	TM	IMPACT	Not undertaken	80%	82%	●
Number of students trained in activism skills	TM	OUTCOME	180	200	230	●
Number of election candidates in main elections	TM	OUTCOME	58	80	107	●
% women standing for elections	TM	IMPACT	52%	55%	62%	●
Number of recorded conversations by officers to students	TM	OUTCOME	0	1000	350	●
Insight & Innovation						
Communications strategy created	SW	OUTPUT	NO	YES	NO	●
3 year research strategy created	SW	OUTPUT	NO	YES	NO	●
Number of 'likes' on Facebook	SW	OUTCOME	34000	39000	42263	●
Footfall into the building per day	SW	IMPACT	5219	6000	8145	●
manchestersstudentsunion.com unique visitors (k)	SW	IMPACT	171842	200000	282953	●
External research conducted to inform strategic direction	BW	OUTPUT	No	YES	YES	●
Media Sales Income (£k)	SW	IMPACT	305000	275,000	254,762	●
Service Delivery						
Venues operating profit	EG	OUTCOME	70000	£200,000	£150,720	●
Mystery shopping satisfaction across the services	EG	IMPACT	85%	85%	NOT COMPLETE	●
Business plans developed and approved for new services	EG	OUTPUT	Not undertaken	YES	YES	●
Number of shows in Academy 1	EG	OUTPUT	88	82	80	●
Number of students supported by the advice centre	PC	IMPACT	2267	2600	2813	●
Our standards launched	EG	OUTPUT	Not undertaken	YES	YES	●
Sales: Permanent Payroll ratio across the services	EG	OUTCOME	22.10%	21.20%	20.00%	●
Sales: Casual Payroll ratio across the services	EG	OUTCOME	13.00%	11.30%	14.40%	○
Surplus as a % of turnover for: Union Bar Wet	EG	OUTCOME	25.80%	24.80%	32.40%	●
Surplus as a % of turnover for: Union Bar Dry	EG	OUTCOME	11.20%	18.90%	5.80%	●
Surplus as a % of turnover for: Retail	EG	OUTCOME	2.00%	2.40%	17.10%	●
Surplus as a % of turnover for: Catering	EG	OUTCOME	20.20%	18.50%	20.70%	●
Surplus as a % of turnover for: Venues	EG	OUTCOME	2.50%	10.10%	6.20%	●
ENABLERS						
People						
Staff proud to work for UMSU	RE	IMPACT	81%	81%	75%	●
Finance and Resources						
Overall Surplus at year end (£k)	RE	IMPACT	£358k	£148,893	£168k	●
Purchasing function developed and launched	RE	OUTPUT	NO	YES	YES	●
Environment						
UMSU secures Green Impact Gold Award	EG	IMPACT	YES	YES	YES	●
Develop a sustainable procurement policy	RE	OUTPUT	Not undertaken	YES	IN PROGRESS	●
Facilities						
Development of a routine maintenance schedule for the main	EG	OUTPUT	No	YES	YES	●
Equality & Diversity						
Develop organisational E&D Strategy	RE	OUTPUT	No	YES	NO	●

Target Met or Exceeded ●
Within 95% of Target ●
Target Not Met ○

b. Review of activities and factors relevant to achieve objectives

This table summarises the Union's performance against its objectives for the year 2015/16 as illustrated in the strategic framework:

Objective	Performance
Activities & Development	
Provide outstanding student volunteering experiences	<p>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 food and signposting information to homeless people every evening, support families living in shelters and improve the environment with community gardening projects.</p> <p>Our RAG group have raised over £435,000 this year for charity. All our volunteer training and support is now working in line with Investors in Volunteers standards and we aim to achieve the standard in 2016/17. We worked closely with the University to create a seamless online experience for volunteering across Manchester. We celebrated the achievements of our volunteers from over 1000 nominations in our awards. There are now over 3100 student volunteers through Student Action.</p>
Bring students together to create a strong student community and encourage students to make a positive contribution to local communities	<p>Our work with Residents Associations and JCRs continue to develop really meaningful connections for students in their halls. We have held two training conventions for elected committees throughout the year, and election turnout in a majority of the halls now exceeds 50%. Welcome week was a great success, and over 6800 students engaged with our entertainments programme. Wider engagement is something we will continue to develop over the coming year, both at a committee level and in the wider halls communities. This will be particularly important as we support the University to deliver the new Residential Life scheme which will support pastoral support in the residences</p> <p>Off-Campus Students - In the second year of the project, we have transformed our support for non-traditional students. We held a residential event for students coming from the local area prior to Welcome Week which had 95% satisfaction and 100% of the students have found a place in Union Societies and voluntary opportunities. It has been imperative to support the creation of a sense of belonging amongst mature, part time and student parents, and student groups have been created for each of these demographics.</p>

Trustees' report (continued)
For the Year Ended 31 July 2016

<p>Provide a diverse range of accessible opportunities that students recognise as improving their employability and enhancing their personal development</p>	<p>Engagement with Student Activities continues to improve, and the increased focus on developing our support staff and investing in web technology has made it far easier for our student leaders to achieve great things. Our groups have invited over 550 visiting speakers onto campus, giving students the chance to debate and be exposed to wider social issues.</p> <p>We now support 465 societies, and individual society memberships have increased another 5% since 2014/15 to 32,434. Over 1 in 3 students are involved in at least one student group, totalling 13,791 students. Our societies are doing amazing things, winning national competitions and leading ground-breaking campaigns. Our Islamic Society has held it's nationally recognised event - The Ramadan Tent Project, engaging the wider Manchester community in what it means to fast to bring faiths together. Our PostCrash Economics Society have organised their second economics conference with over 500 participants from all over the UK.</p>
<p>Encourage a sense of social responsibility and citizenship in our students</p>	<p>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 had 10 new Access All Areas projects established this year. One of our longstanding projects 'Arts Emergency' is now being franchised to other universities across the UK. This is a great achievement by this voluntary group. Our Consider Postgrad project is in its second year, which targets those undergraduates in receipt of bursaries and helps them to consider postgraduate study at Manchester, led by current students.</p> <p>Our upcycling project – The Closet has worked closely with local fashion companies to dispose of samples and unwanted clothes, raising over £15,000 for mental health charities.</p>
<p>Increase active student engagement in high quality accessible student activities through the development of existing opportunities and the creation of new ones</p>	<p>We have continued to encourage collaboration between groups and bringing students together for accessible and enjoyable events. We have supported our third Creative Students' Festival, which ran throughout March and April, our award-winning Earth Week, a programme of interfaith events and Global week which engaged over 1000 international students. Our student-led Pangaea music festival is now running 3 times per year, with 6,500 people in attendance each time. It was recently nominated for small festival of the year at the National Music Festival Awards.</p>

Trustees' report (continued)
For the Year Ended 31 July 2016

Student Voice	
<p>Run and facilitate researched, effective and well organised campaigns that achieve outcomes and impact</p>	<p>Our new skills for change programme has been attended by over 200 student activists throughout the year and our campaign fund has been accessed by almost 100 student campaigning groups. This has allocated over £20,000 of grants for activity to raise awareness and create change for students. This has included diverse campaigns such as Fossil Free, 'Save our NHS', the Living Wage and Free Education.</p> <p>Our liberation campaigns have gone from strength to strength, with our Women's campaign continuing to attract national attention for our 'We Get It' campaign in partnership with the University. Over 10 other Universities have now created similar schemes based on our ground breaking work. Over 3500 students and community activists took part in the annual reclaim the night march in February, making it the biggest march of its kind ever seen in the UK. 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.</p>
<p>Build a student rep system in which course reps are integral to improving the student experience</p>	<p>Over the last year, the Union has supported 1460 course reps. At the start of the year, we trained over 60% of these reps in face to face sessions, and a further 25% of students undertook some form of online training through our platform. 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.</p> <p>We have started to think about deepening our postgraduate engagement activity. We have had a working group of PGR and PGT representatives this year and have set out some parameters of what a new structure will look like. We have also engaged with the University faculty restructuring and have been developing new faculty representative structures in readiness for the new academic year.</p>

Trustees' report (continued)
For the Year Ended 31 July 2016

<p>Ensure that students are at the heart of decision making</p>	<p>This year has seen the first run of our new democratic policy making structures. This had been an area of real deficiency for the organisation, and we hadn't been engaging enough students with a real stake in decision making. We now have over 70 elected representatives steering the political direction of the organisation. This has made for really vibrant debate and scrutiny of the work of the elected officers. We have had nearly 200 policy motions presented to the new Union Senate, of which nearly 80 have become active pieces of work for the officers to enact. The new structures provide far more insulation against small groups of students manipulating the process and connect us more to highly involved groups such as societies, halls and volunteers. Civic and political education remains a key strand of our work, and this has restored the opportunity to debate complex issues.</p> <p>Outside engagement in democracy has been important across the year, with a concerted effort made to understand student priorities for civic decision makers. Our 100,000 votes campaign was once again reignited to ensure high levels of student engagement in the recent EU referendum. The Union played a full role in voter education and ensuring access to both sides of the debate.</p>
<p>The work of the Students' Union Exec Team will be understood and highly valued by students</p>	<p>We were very pleased last year to be able to transform our democratic participation in our annual elections. We have continued the strong work this year and 11,700 students voted for 107 candidates for our sabbatical officer roles. Whilst a slight drop on last year, this is still ahead of any other students' union in the UK and more than double the average percentage nationally. We are pleased to maintain this increased participation in the democratic process in a year where there has been a lot of negative press coverage about the wider student movement.</p>

Trustees' report (continued)
For the Year Ended 31 July 2016

<p>Ensure that all student leaders are well supported to achieve in their role</p>	<p>We have worked closely with colleagues in the University to develop the 'Manchester Advantage' programme. This new award will help and support students to translate their involvement in extra-curricular activities into clear skills for their future. The new programme will encompass; leadership, understanding the issues that matter and making a difference.</p> <p>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. We have also worked with local community groups on an approach to selective licencing, looking at how that may improve the quality and accreditation of student housing.</p>
<p>Insight & innovation</p> <p>Effectively promote the union's full range of services and activities, democratic fora and events, leadership and representative roles to all students to increase awareness and participation</p>	<p>A key aim of the strategy was to engage more effectively with students on their terms. We have put real focus on this over the last year and we have tried to raise the quality, consistency and co-ordination of communications across all outputs to drive increased levels of membership engagement. Through the establishment and development of a robust integrated Communications plan for 2015/16 academic year the outcome has significantly increased website visits by an additional 30%.</p> <p>Our biggest piece of engagement work with our students this year was the research to inform the new strategic plan. Over 5000 students were involved in completing the survey, attending focus groups or inputting into the plan. The rich research and insight given to us, has enabled us to create a really ambitious, student-focused strategy</p>

Trustees' report (continued)
For the Year Ended 31 July 2016

<p>Continually understand the needs of students and stakeholders to inform everything we do</p>	<p>We have completed the establishment of our research and insight function. This will become the engine room of student insight, understanding and evidence as we fulfil our role as the student voice. During the course of the year, we have conducted a series of ground-breaking research projects. These have included working with the NHS commissioners to look at the effects of a devolved Manchester on student health services. We have also worked with over 3000 students to understand their experiences of the private rented housing sector and their relationship with landlords, the City Council and University support services. Additionally, we have been commissioned to research mature and postgraduate student experiences and have published a series of reports detailing this.</p> <p>75% of students were satisfied with the Students' Union in response to NSS Question 23 which is a static performance on last year. This places us firmly in the top quartile of students' unions in the last year of the current question.</p>
<p>Continually innovate and develop our offer and services to meet student needs</p>	<p>We have continued work to improve the organisational culture of the Union and have set some ambitious targets to become an employer of choice. Our managers have taken part in a development programme over the last 12 months, focusing on developing a clear set of management competencies and behaviours. Work has also been finalised to create a series of service standards and staff behaviours for the whole team – career and student staff. We took part in a sector-wide staff engagement survey and have continued to have high levels of staff satisfaction. Scores around management and performance have improved greater than any other area.</p> <p>We have reached agreement with the University on a new block grant for the next 3 years, ensuring medium term certainty can be given.</p>
<p>Understand students' digital lives and develop ways to provide services and create communities for students digitally</p>	<p>We have undergone a transformation of our website through Union Cloud. This refreshed partnership has re-launched our work internally and is ensuring we make better use of the suite of tools available to us. We have prioritised additional resources to create staff capacity to support our overall digital transformation journey. The hit rate on our main website has improved by 30% in the last year.</p>

Trustees' report (continued)
For the Year Ended 31 July 2016

Work with key partners to create exposure to our student market, ensuring revenue is generated to support core activity through media sales channels.	We have launched 13 Media, a marketing sales agency to provide capacity internally and on a supplier basis for other Students' Unions. The underpinning growth targets are ambitious and during 2015/16 the Union was able to generate almost £400,000 of income from this source.
Service Delivery	
Our venues will be market leading, proving a first class experience for our members and the public	We derive much of our income from our commercial services, and the Union continues to operate in a fiercely competitive environment. The Academy venues continue to deliver valuable income to us, but we also want to talk about them as cultural assets for our students and the people of Manchester. We have celebrated the 25th Anniversary of the main Academy venue which has really helped us re-connect with Manchester. We have worked closely with the Manchester Digital Music Archive to develop an exhibition of our history which will launch to the public in September 2016.
Our catering and retail outlets will provide value for money for our members and we will transform the methods we use to retail	The performance of all of our services remains strong, and is bucking many of the trends across UK students' unions. The Union Bar will see a total contribution at year-end of £190,000. This has been driven by continued increase in catering activity and diversification of our menus. This is a key driver in space allocation in the new trading areas being developed in the extension project.
Create a culture of excellent customer service, ensuring all our services meet the highest standards	We again took part in the Best Bar None programme through NUS, achieving a Silver Award. We have achieved Part A of Quality Students' Unions and have had initial discussions about taking part in the new Alcohol Impact Scheme. Satisfaction with our services remains high, with positive net promoter scores measured throughout the year.
Have an outstanding advice service that all students know about and that informs our policy and campaigns	Our Advice Service achieved the Advice Quality Standard for the first time, in recognition of the substantial growth over the last three years. Our team handled over 3300 new cases across the course of the year within academic, housing, financial and general advice themes. Thanks to the work of the team, students were saved over £250,000 in returned cash or additional benefits.
Undertake a major extension to the union building, providing our members with first class facilities to meet their needs	The final plans for the extension to our main building have been made and the pre-construction enabling works have been completed. The overall budget is £9.5million from the University and £1.5million from the Union. Construction on the main package of works will commence in November 2016 and complete by April 2018.

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 £2,224 (2015 - £3,470).

Financial review

In the year to 31st July 2016 the Union recorded a surplus of £230,443. There have been no major exceptional items or turnaround costs. In preparation for the disruption which will be caused by building works, we have continued to prioritise the generation of reasonable surpluses. Whilst the funding mix remains relatively strong, it continues to remain a competitive commercial climate in Manchester. We have however managed to deliver another positive end of year result and will support our strategy of growing free reserves to reinvest in our facilities.

We are grateful for the continued support from the University in terms of our block grant settlement, which was increased by 6% to £2.28m and the additional grants to accelerate projects relating to access, residents' associations and off-campus students. We also recognise the forthcoming 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.

The balance sheet has been strengthened by the achievement of a surplus in the year with total net assets increasing from £1,674,753 to £1,905,196 and a cash balance of £2,912,659.

a. Going concern

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. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Financial risk management objectives and policies

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. Each department is responsible for their own risk register and the Senior Management Team review these in conjunction with managers through the Health, Safety and Legal Committee. 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.

c. Principal risks and uncertainties

The Union regularly reviews the risk register through the Health, Safety and Legal group that reports into the Audit and Risk committee. The top risks for the Union at present are associated with the Building works, Loss of Key personnel and loss of commercial revenue.

Building works

The pre building works commenced at the end of 2015/16 and a slight downturn in commercial revenue against the forecast was seen. Whilst some allowance has been made for building closure in the budget for the period where work is underway but the building is open it has been assumed that trade will continue as normal.

Loss of commercial revenue

There is a general risk associated with loss of commercial revenue due to competition or other factors. This in turn impacts on the ability of the Union to maintain a suitable reserve position.

Loss of key personnel

Staff turnover is high in the Union and it is not always easy to retain talented individuals. This has an impact on the organisation in terms of the costs of staff turnover but also as key skills and knowledge are lost with the individuals.

d. Principal funding sources

Funding of the Union comes from the University of Manchester block grant which has been confirmed for 2016/17 as £2,300k and trading activities of the commercial entities which, in the year to 31st July 2016, generated income of £4,477k. There is no reason to believe the current level of support from the University of Manchester will not continue over the coming years.

e. Reserves policy

Our general reserve (excluding SUSS pension deficit of £4,336,726 (2015 - £4,445,533)) increased to £1,983,192 (2015 - £1,506,492) and is currently at a level which satisfies the board's target of six months core operating costs. This balance needs to remain at around £1.1million. 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. Cash deposits are placed in a range of interest bearing accounts with terms varying between instant access and 3 years to ensure access to working capital as required, but with a view to maximising interest income where possible.

Structure, governance and management

a. Constitution

University of Manchester Students' Union is the Students' Union of the University of Manchester within the meaning of section 20 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.

University of Manchester Students' 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 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 re-appointed.

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 Union Director ensures that ongoing training needs are monitored and responded to.

d. Pay policy for senior staff

Salaries are benchmarked against the sector for senior staff and annual increments are awarded in line with the University negotiated cost of living increase.

e. Organisational structure and decision making

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.

The Governance and Appointments Committee 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.

The Audit and Risk 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.

The People and Culture Committee is responsible for oversight of employee policies and for managing matters concerning the remuneration of the Union Director and Officer Trustees.

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.

f. Risk management

The Trustees have assessed the major risks to which the company and the group is exposed, in particular those related to the operations and finances of the company and the group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

g. Public benefit statement

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission regarding Public Benefit.

Plans for future periods

During 2015/16, the organisation undertook a wide strategic review to ensure future plans are based on clear evidence of demand from students. We commissioned research which involved over 5000 students, published a strategic analysis paper and held workshops with officers, staff and volunteers to develop the new plan for 2016-2020. The plan, 'Made in Manchester' has now been launched and has the following objectives.

Our new vision: For all students to feel part of the Manchester community where they can develop, prepare for their future and can make a difference in the world around them.

Strategic Promise	Programmes of work	Impacts
We'll help you make the most of your time as a student	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • By 2020, 80% of students will agree that the Students' Union has helped them make the most of their time as a student. • By 2020, 75% of students will agree that the Students' Union represents them effectively
We'll help you get the best future	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • By 2020, 80% of students will agree that the Students' Union helps make them more employable • By 2020, 90% of our student staff will love working for the Students' Union
We'll help you discover and connect with Manchester	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • By 2020, over 4500 students will be taking part in community volunteering/ organising • By 2020, 90% of students will love living in Manchester

Trustees' report (continued)
For the Year Ended 31 July 2016

We'll help you understand and change the world around you	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • By 2020, over 50% of candidates for every elected role will be women and over 30% will be from a BME background • By 2020, we will be delivering a range of social justice programmes in partnership with the University
We'll build a truly outstanding Students' Union	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • By 2020, 90% of students will say that The Students' Union offers a range of relevant opportunities, events and services • By 2020, 85% of students will say that The Students' Union communicates well with them
Enablers		
We're underpinned by sustainable finance and resources	<ul style="list-style-type: none"> • People • Pounds • Place • Process 	<ul style="list-style-type: none"> • We will achieve a recognised equality standard
We're driven by brilliant enterprise and services	<ul style="list-style-type: none"> • Venues • Bars • Catering & Retail • Media Sales/Business development 	<ul style="list-style-type: none"> • Make over £1million annual commercial contribution by 2020

University of Manchester Students' Union
(A company limited by guarantee)

Trustees' report (continued)
For the Year Ended 31 July 2016

Funds held as custodian

Custodian Funds and Activities

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

- Funds raised by the many clubs and societies run by its members - these funds are separately identified in the finance system and the balance at the year-end was £509k.
- Funds raised by students under the RAG (Raising and Giving) initiative for distribution to nominated charities. £430k was raised in the year and 100% was distributed in the year.
- Funds held on behalf of the Residents' 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 £113k.

Related parties and subsidiaries

The University of Manchester is the parent institution of the Union. The University regulates the Union to ensure it acts in accordance with the requirements of the Education Act 1994. 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. One Officer Trustee is a member 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 2015/16 its block grant comprised £2.28m.

During the year the Union operated a trading subsidiary, Manchester Academy Venues Ltd (company number 8638433). Manchester Academy Venues Ltd. is a related party under FRS102, and the Union is the controlling party.

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.

Trustees' report (continued)
For the Year Ended 31 July 2016

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.

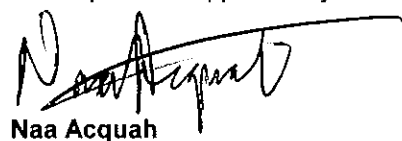
Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

This report was approved by the Trustees on

and signed on their behalf by:



Naa Acquah
General Secretary

8th December 2016

University of Manchester Students' Union
(A company limited by guarantee)

Independent auditors' report to the members of University of Manchester Students' Union

We have audited the financial statements of University of Manchester Students' Union for the year ended 31 July 2016 set out on pages 22 to 47. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Trustees and auditors

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating the Group strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

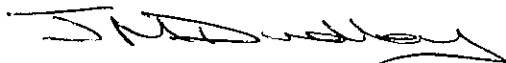
University of Manchester Students' Union
(A company limited by guarantee)

Independent auditors' report to the members of University of Manchester Students' Union

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate accounting records, or 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.



Jonathan Dudley (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

Date: 8 December 2016

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 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds (restated) 2015 £
Income from:					
Donations and legacies	2	2,283,137	91,815	2,374,952	2,431,108
Charitable activities	3	607,708	-	607,708	535,074
Other trading activities	4	4,432,234	-	4,432,234	3,980,036
Investments	5	2,224	-	2,224	3,470
Total income		7,325,303	91,815	7,417,118	6,949,688
Expenditure on:					
Raising funds	6	4,414,981	-	4,414,981	4,388,858
Charitable activities	7	2,691,711	91,509	2,783,220	2,274,604
Total expenditure	8	7,106,692	91,509	7,198,201	6,663,462
Net income before investment gains		218,611	306	218,917	286,226
Net gains on investments	14	11,526	-	11,526	83,521
Net income and Movement In funds		230,137	306	230,443	369,747
Reconciliation of funds:					
Total funds brought forward		1,624,790	49,963	1,674,753	1,305,006
Total funds carried forward		1,854,927	50,269	1,905,196	1,674,753

All activities relate to continuing operations.

The notes on pages 26 to 47 form part of these financial statements.

Summary income and expenditure account
For the Year Ended 31 July 2016

	Note	Total funds 2016 £	Total funds (restated) 2015 £
Gross income in the reporting period		7,428,644	7,033,209
Less: Total expenditure		7,198,201	6,663,462
Net income for the financial year	21	230,443	369,747

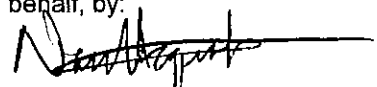
The notes on pages 26 to 47 form part of these financial statements.

University of Manchester Students' Union
(A company limited by guarantee)
Registered number: 07759820

Consolidated balance sheet
As at 31 July 2016

	Note	£	2016 £	£	2015 (Restated) £
Fixed assets					
Intangible assets	12		30,877		-
Tangible assets	13		3,459,627		3,814,997
Investments	14		720,360		708,834
			<u>4,210,864</u>		<u>4,523,831</u>
Current assets					
Stocks	15	108,217		149,181	
Debtors	16	404,156		342,899	
Investments	17	279,885		279,112	
Cash at bank and in hand		2,912,659		2,475,166	
		<u>3,704,917</u>		<u>3,246,358</u>	
Creditors: amounts falling due within one year	18	(1,715,721)		(1,676,742)	
Net current assets			<u>1,989,196</u>		<u>1,569,616</u>
Total assets less current liabilities			<u>6,200,060</u>		<u>6,093,447</u>
Creditors: amounts falling due after more than one year	19		(4,294,864)		(4,418,694)
Net assets			<u><u>1,905,196</u></u>		<u><u>1,674,753</u></u>
Charity Funds					
Restricted funds	21		50,269		49,963
Unrestricted funds	21		1,854,927		1,624,790
Total funds			<u><u>1,905,196</u></u>		<u><u>1,674,753</u></u>

The financial statements were approved by the Trustees on 8 December 2016 and signed on their behalf, by:



Naa Acquah, General Secretary

The notes on pages 26 to 47 form part of these financial statements.

University of Manchester Students' Union
(A company limited by guarantee)
Registered number: 07759820

Company balance sheet
As at 31 July 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Intangible assets	12		30,877		-
Tangible assets	13		3,385,322		3,732,358
Investments	14		720,375		708,849
			<u>4,136,574</u>		<u>4,441,207</u>
Current assets					
Stocks	15	54,376		69,476	
Debtors	16	384,131		307,779	
Investments	17	279,885		279,112	
Cash at bank and in hand		2,617,514		2,178,004	
		<u>3,335,906</u>		<u>2,834,371</u>	
Creditors: amounts falling due within one year	18	(1,478,725)		(1,236,522)	
Net current assets			<u>1,857,181</u>		<u>1,597,849</u>
Total assets less current liabilities			<u>5,993,755</u>		<u>6,039,056</u>
Creditors: amounts falling due after more than one year	19		(4,081,284)		(4,216,968)
Net assets			<u><u>1,912,471</u></u>		<u><u>1,822,088</u></u>
Charity Funds					
Restricted funds	21		50,269		49,963
Unrestricted funds	21		1,862,202		1,772,125
Total funds			<u><u>1,912,471</u></u>		<u><u>1,822,088</u></u>

The financial statements were approved by the Trustees on ~~8 December 2016~~ and signed on their behalf, by:



Naa Acquah, General Secretary

The notes on pages 26 to 47 form part of these financial statements.

University of Manchester Students' Union
(A company limited by guarantee)

Consolidated cash flow statement
For the Year Ended 31 July 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	23	781,948	1,368,250
Cash flows from Investing activities:			
Dividends, interest and rents from investments		2,224	3,470
Purchase of tangible fixed assets		(345,906)	(329,126)
Net cash used in Investing activities		(343,682)	(325,656)
Change in cash and cash equivalents in the year		438,266	1,042,594
Cash and cash equivalents brought forward		2,754,278	1,711,684
Cash and cash equivalents carried forward		3,192,544	2,754,278

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.

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. However results of the Union as an individual entity can be seen in summary in note 31.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

See note 29 for further details.

1.3 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.

1.4 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. Accounting policies (continued)

1.5 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.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.6 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 centrally. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

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

1.7 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 408 of the Companies Act 2006 not to present its own Income and expenditure account.

1. Accounting policies (continued)

1.8 Intangible fixed assets and amortisation

Intangible assets 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 at the following rates:

Licences	- 3 years straight line
----------	-------------------------

1.9 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 leasehold property	- Over 55 years
Academy refurbishment	- 5% - 20% straight line
Union refurbishment	- 10 - 20% straight line
Motor vehicles	- 20% straight line
Fixtures and fittings	- 5% - 33% straight line

1.10 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.

1.11 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.

1.12 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. Accounting policies (continued)

1.13 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.

1.14 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.

1.15 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.

1.16 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.

1.17 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 contribution scheme. Contributions are accounted for as paid throughout the year.

Notes to the financial statements
For the Year Ended 31 July 2016

1. Accounting policies (continued)

1.18 Critical accounting estimates and areas of judgement

Estimates and judgements 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 charity 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.

Critical areas of judgement:

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

2. Income from donations and legacies

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
University Block Grant	2,283,137	-	2,283,137	2,431,108
Other income	-	91,815	91,815	-
	<u>2,283,137</u>	<u>91,815</u>	<u>2,374,952</u>	<u>2,431,108</u>

In 2015, of the total income from donations and legacies, £2,133,000 was to unrestricted funds and £298,108 was to restricted funds

3. Income from charitable activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Membership support	2,840	-	2,840	14,228
Student voice	3,296	-	3,296	9,758
Union events & visitor service	587,296	-	587,296	511,088
Communications	13,582	-	13,582	-
Other	694	-	694	-
	<u>607,708</u>	<u>-</u>	<u>607,708</u>	<u>535,074</u>

In 2015, of the total income from charitable activities, £535,074 was to unrestricted funds and £ NIL was to restricted funds.

University of Manchester Students' Union
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 July 2016

4. Fundraising income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds (restated) 2015 £
Bars	698,667	-	698,667	634,065
Catering	619,592	-	619,592	587,549
Marketing and communications	374,333	-	374,333	332,895
Retail	238,626	-	238,626	249,353
Turnover from trading subsidiary	2,501,016	-	2,501,016	2,176,174
	<u>4,432,234</u>	<u>-</u>	<u>4,432,234</u>	<u>3,980,036</u>

In 2015, of the total income from fundraising, £3,980,036 was to unrestricted funds and £ *NIL* was to restricted funds.

5. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Interest receivable	2,224	-	2,224	3,470
	<u>2,224</u>	<u>-</u>	<u>2,224</u>	<u>3,470</u>

In 2015, of the total investment income, £3,470 was to unrestricted funds and £ *NIL* was to restricted funds.

University of Manchester Students' Union
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 July 2016

6. Cost of raising funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bars	269,483	-	269,483	267,699
Catering	272,287	-	272,287	270,220
Shop	173,260	-	173,260	164,576
Marketing and communication	9,583	-	9,583	24,084
Trading subsidiary	1,512,904	-	1,512,904	1,511,347
Staff costs	1,002,587	-	1,002,587	987,868
Depreciation	427,497	-	427,497	350,548
Allocated support costs	747,380	-	747,380	812,516
	<u>4,414,981</u>	<u>-</u>	<u>4,414,981</u>	<u>4,388,858</u>

In 2015, of the total voluntary income, £4,388,858 was to unrestricted funds and £ NIL was to restricted funds.

7. Analysis of expenditure on charitable activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Membership support	754,043	-	754,043	682,795
Student voice	702,953	-	702,953	591,133
Union events & visitor service	828,187	-	828,187	705,878
Communications	379,694	-	379,694	-
Grant funded projects	-	91,509	91,509	278,194
Governance costs	26,834	-	26,834	16,604
	<u>2,691,711</u>	<u>91,509</u>	<u>2,783,220</u>	<u>2,274,604</u>

In 2015, of the total expenditure, £1,996,410 was expenditure from unrestricted funds and £278,194 was expenditure from restricted funds.

University of Manchester Students' Union
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 July 2016

8. Analysis of resources expended by expenditure type

	Staff costs 2016 £	Depreciation 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	1,245,894	427,496	2,741,591	4,414,981	4,388,858
Costs of generating funds	1,245,894	427,496	2,741,591	4,414,981	4,388,858
Membership support	409,377	62,846	281,820	754,043	682,795
Student voice	401,559	30,389	271,005	702,953	591,133
Union events & visitor service	151,718	20,016	656,453	828,187	705,878
Communications	225,268	18,146	136,280	379,694	-
Grant funded projects	59,338	-	32,171	91,509	278,194
Governance costs	16,753	2,186	7,895	26,834	16,604
Charitable activities	1,264,013	133,583	1,385,624	2,783,220	2,274,604
	2,509,907	561,079	4,127,215	7,198,201	6,663,462

9. Analysis of resources expended by activities

	Activities undertaken directly 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Membership support	461,068	292,975	754,043	682,795
Student voice	495,182	207,771	702,953	591,133
Union events & visitor service	720,565	107,622	828,187	705,878
Communications	255,629	124,065	379,694	-
Grant funded projects	91,509	-	91,509	278,194
Governance costs	11,887	14,947	26,834	16,604
Total	2,035,840	747,380	2,783,220	2,274,604

University of Manchester Students' Union
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 July 2016

10. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	670,393	628,275
Auditors remuneration	6,800	6,600
	<u>677,193</u>	<u>634,875</u>

University of Manchester Students' Union
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 July 2016

11. Staff costs

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,290,644	1,948,072
Social security costs	154,352	131,707
Other pension costs	64,911	46,292
	<u>2,509,907</u>	<u>2,126,071</u>

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

	2016 No.	2015 No.
MAV	9	7
Media sales	1	1
Union commercial	13	11
Marketing and communication	7	5
Membership support	17	15
Student voice	17	17
Union events and visitor services	3	3
House	4	4
Finance and resource	6	5
Central	4	3
	<u>81</u>	<u>71</u>

During the year £508,000 (2015 - £442,000) was spent on student staff. These staff are on zero hour contracts and during the course of the year up to 250 student staff have been deployed across a number of activities including: in the cafe, bar and retail outlets, on activities and main reception, as council chair and providing ad hoc support to all teams of the Union.

The number of higher paid employees was:

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	1

Trustees remuneration of £153,895 (2015 - £139,356) and related employer pension costs of £6,108 (2015 - £614) comprise the cost of employing the 8 (2015 - 8) sabbatical representation officers.

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, one Trustees received reimbursement of expenses totalling £689 (2015 - £1,070).

Key management whom consist officer trustees and chief executive officer as detailed on page 1. Their aggregate remuneration (including employer pension costs) totalled £225,371 (2015 - £205,338) during the year.

University of Manchester Students' Union
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 July 2016

12. Intangible fixed assets

Group and Company	Licences £
Cost	
At 1 August 2015	-
Additions	30,877
At 31 July 2016	30,877
Carrying amount	
At 31 July 2016	30,877
At 31 July 2015	-

13. Tangible fixed assets

Group	Long leasehold property £	Academy refurbish- ment £	Union refurbish- ment £	Motor vehicles £	Fixtures and fittings £	Total £
Cost						
At 1 August 2015	1,247,798	3,989,295	1,557,552	21,083	1,648,742	8,464,470
Additions	-	-	11,980	-	303,049	315,029
Disposals	-	-	(32,656)	(21,083)	(1,060,791)	(1,114,530)
At 31 July 2016	1,247,798	3,989,295	1,536,876	-	891,000	7,664,969
Depreciation						
At 1 August 2015	953,401	1,847,424	534,113	3,865	1,310,670	4,649,473
Charge for the year	22,646	213,536	160,078	4,217	216,595	617,072
On disposals	-	-	(14,694)	(8,082)	(1,038,427)	(1,061,203)
At 31 July 2016	976,047	2,060,960	679,497	-	488,838	4,205,342
Net book value						
At 31 July 2016	271,751	1,928,335	857,379	-	402,162	3,459,627
At 31 July 2015	294,397	2,141,871	1,023,439	17,218	338,072	3,814,997

University of Manchester Students' Union
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 July 2016

13. Tangible fixed assets (continued)

Company	Long leasehold property £	Academy refurbish- ment £	Union refurbish- ment £	Motor vehicles £	Fixtures and fittings £	Total £
Cost						
At 1 August 2015	1,247,798	3,905,962	1,557,552	21,083	1,648,742	8,381,137
Additions	-	-	11,980	-	303,049	315,029
Disposals	-	-	(32,656)	(21,083)	(1,060,791)	(1,114,530)
At 31 July 2016	1,247,798	3,905,962	1,536,876	-	891,000	7,581,636
Depreciation						
At 1 August 2015	953,401	1,846,730	534,113	3,865	1,310,670	4,648,779
Charge for the year	22,646	205,202	160,078	4,217	216,595	608,738
On disposals	-	-	(14,694)	(8,082)	(1,038,427)	(1,061,203)
At 31 July 2016	976,047	2,051,932	679,497	-	488,838	4,196,314
Net book value						
At 31 July 2016	271,751	1,854,030	857,379	-	402,162	3,385,322
At 31 July 2015	294,397	2,059,232	1,023,439	17,218	338,072	3,732,358

14. Fixed asset investments

Group	Unlisted securities £
Market value	
At 1 August 2015	708,834
Revaluations	11,526
At 31 July 2016	720,360
Group investments at market value comprise:	
	2016 £
Unlisted investments	720,360
	2015 £
	708,834

All the fixed asset investments are held in the UK

Notes to the financial statements
For the Year Ended 31 July 2016

14. Fixed asset investments (continued)

Company		Unlisted securities £	Sub total carried forward £
Market value			
At 1 August 2015		708,834	708,834
Revaluations		11,526	11,526
At 31 July 2016		<u>720,360</u>	<u>720,360</u>
	Sub total brought forward £	Shares in group undertakings £	Total £
Company			
Market value			
At 1 August 2015	708,834	15	708,849
Revaluations	11,526	-	11,526
At 31 July 2016	<u>720,360</u>	<u>15</u>	<u>720,375</u>
Company investments at market value comprise:			
		2016 £	2015 £
Unlisted investments		720,360	708,834
Group		15	15
Total		<u>720,375</u>	<u>708,849</u>

All the fixed asset investments are held in the UK

Subsidiary companies

At 31 July 2016 the Union held 100% of the issued share capital in Manchester Academy Venues Limited, an entertainment business and Materialise Limited which is dormant. Both companies are incorporated in the United Kingdom.

15. Stocks

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Finished goods and goods for resale	<u>108,217</u>	<u>149,181</u>	<u>54,376</u>	<u>69,476</u>

Notes to the financial statements
For the Year Ended 31 July 2016

16. Debtors

	<u>Group</u>		<u>Company</u>	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	231,916	161,804	199,539	150,740
Amounts owed by group undertakings	-	-	146,266	58,665
VAT repayable	11,434	11,275	-	-
Other debtors	27,746	14,404	11,019	14,404
Prepayments and accrued income	133,060	155,416	27,307	83,970
	<u>404,156</u>	<u>342,899</u>	<u>384,131</u>	<u>307,779</u>

17. Current asset investments

	<u>Group</u>		<u>Company</u>	
	2016	2015	2016	2015
	£	£	£	£
Unlisted investments	279,885	279,112	279,885	279,112
	<u>279,885</u>	<u>279,112</u>	<u>279,885</u>	<u>279,112</u>

18. Creditors:
Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2016	2015	2016	2015
	£	(Restated) £	£	£
Other loans	14,714	3,333	14,714	3,333
Trade creditors	185,472	308,887	148,302	176,520
Other taxation and social security	321,540	122,784	321,540	88,784
Amounts held for clubs and societies	508,961	401,976	508,961	401,976
Pension creditor	255,442	243,279	255,442	243,279
Other creditors	165,610	182,318	66,053	106,646
Accruals and deferred income	263,982	414,165	163,713	215,984
	<u>1,715,721</u>	<u>1,676,742</u>	<u>1,478,725</u>	<u>1,236,522</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Deferred income				
Deferred income brought forward	297,769	335,174	137,769	175,174
Resources deferred during the year	181,336	297,769	106,986	137,769
Amounts released from previous years	(297,769)	(335,174)	(137,769)	(175,174)
Deferred income carried forward	<u>181,336</u>	<u>297,769</u>	<u>106,986</u>	<u>137,769</u>

Notes to the financial statements
For the Year Ended 31 July 2016

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

Amounts held for clubs and societies represent balances held on behalf of these bodies. These funds have been generated separately from the activities of the Union and the use of these funds is directed by the individual club or society. University of Manchester Students' Union acts as a custodian for these funds.

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Other loans	-	14,714	-	14,714
Pension creditor	4,081,284	4,202,254	4,081,284	4,202,254
Accruals and deferred income	213,580	201,726	-	-
	4,294,864	4,418,694	4,081,284	4,216,968

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

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Repayable by instalments	-	1,111	-	1,111
Repayable other than by instalments	3,014,201	3,185,983	3,014,201	3,185,983
	3,014,201	3,187,094	3,014,201	3,187,094

Amounts payable by instalments are loans with the University of Manchester. The loans are unsecured and repayable in equal monthly instalments of £278 (2015 - £278). The final instalment is due in 2020. Loans of £14,714 (2015 - £18,047) are interest free.

20. Prior year adjustment

The prior year adjustment is in relation to income being recognised in advance of the terms and conditions as set out by the agreement which accompanied it. This adjustment has resulted in 2015's turnover figure being reported as £79,521 lower than it was stated last year with the corresponding increase being to deferred income due after more than one year. Profit and loss account brought forward for 2015 has also been restated to decrease it by £68,872 with the corresponding entry going to deferred income due after more than one year.

University of Manchester Students' Union
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 July 2016

21. Statement of funds

	Brought Forward (Restated) £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Fixed asset reserve	3,814,997	-	(670,399)	315,029	-	3,459,627
Investment reserve	708,834	-	-	-	-	708,834
Robert Armitage trust	40,000	-	-	-	-	40,000
	<u>4,563,831</u>	<u>-</u>	<u>(670,399)</u>	<u>315,029</u>	<u>-</u>	<u>4,208,461</u>
General funds						
Unrestricted funds	1,506,492	7,325,303	(6,297,024)	(563,105)	11,526	1,983,192
SUSS pension deficit	(4,445,533)	-	(139,269)	248,076	-	(4,336,726)
	<u>(2,939,041)</u>	<u>7,325,303</u>	<u>(6,436,293)</u>	<u>(315,029)</u>	<u>11,526</u>	<u>(2,353,534)</u>
Total Unrestricted funds	<u>1,624,790</u>	<u>7,325,303</u>	<u>(7,106,692)</u>	<u>-</u>	<u>11,526</u>	<u>1,854,927</u>
Restricted funds						
Restricted project funds	49,963	91,815	(91,509)	-	-	50,269
Total of funds	<u>1,674,753</u>	<u>7,417,118</u>	<u>(7,198,201)</u>	<u>-</u>	<u>11,526</u>	<u>1,905,196</u>

University of Manchester Students' Union
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 July 2016

21. Statement of funds (continued)

Purpose of funds:

The designated funds are unrestricted funds that are created by the trustees for the following specific purposes:

- Fixed asset reserve: being the net book value of the Union's fixed assets.
- Investment reserve: being the market value of the Union's investments.
- Robert Armitage trust: being funding received for UK on an as yet not undertaken specific project.

Restricted project funds relate to unspent funding received with specific objectives to be achieved.

Summary of funds

	Brought Forward (Restated) £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	4,563,831	-	(670,399)	315,029	-	4,208,461
General funds	(2,939,041)	7,325,303	(6,436,293)	(315,029)	11,526	(2,353,534)
	<u>1,624,790</u>	<u>7,325,303</u>	<u>(7,106,692)</u>	<u>-</u>	<u>11,526</u>	<u>1,854,927</u>
Restricted funds	49,963	91,815	(91,509)	-	-	50,269
	<u>1,674,753</u>	<u>7,417,118</u>	<u>(7,198,201)</u>	<u>-</u>	<u>11,526</u>	<u>1,905,196</u>

22. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds (restated) 2015 £
Intangible fixed assets	30,877	-	30,877	-
Tangible fixed assets	3,459,626	-	3,459,626	3,814,997
Fixed asset investments	720,360	-	720,360	708,834
Current assets	3,654,650	50,269	3,704,919	3,246,358
Creditors due within one year	(1,715,722)	-	(1,715,722)	(1,676,742)
Creditors due in more than one year	(4,294,864)	-	(4,294,864)	(4,418,694)
	<u>1,854,927</u>	<u>50,269</u>	<u>1,905,196</u>	<u>1,674,753</u>

University of Manchester Students' Union
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 July 2016

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	230,443	369,747
Adjustment for:		
Depreciation charges	617,072	628,275
Gains on investments	(11,526)	(83,521)
Dividends, interest and rents from investments	(2,224)	(3,470)
Loss on the sale of fixed assets	53,327	-
Decrease/(increase) in stocks	40,964	(21,008)
(Increase)/decrease in debtors	(66,126)	441,735
(Decrease)/increase in creditors	(79,982)	36,492
Net cash provided by operating activities	781,948	1,368,250

24. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	2,912,659	2,475,166
Notice deposits (less than 3 months)	279,885	279,112
Total	3,192,544	2,754,278

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 2013 and showed that the market value of the Scheme's assets was £80,910,623 with these assets representing 52% 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 £73,849,000.

The assumptions which have the most significant effect upon the results of the Valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. The following assumptions applied at 30 June 2013:-

The investment return would be 6.1% per annum before retirement and 4.1% per annum after retirement. Pensions accruing on the CARE basis would revalue at 3.6% per annum. Present and future pensions would increase at rates specified by Scheme rules with appropriate assumptions where these are dependent on inflation.

The 2013 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 17 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 2014 and will be formally reviewed following completion of the next Valuation due with an effective date of 30 June 2016. 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 2031. 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 (2015 - £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 in October 2011. Contributions paid into the scheme by the Union for the year amounts to £9,150 (2015 - £829). Contributions totalling £64,911 (2015 - £46,292) 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 2016

26. Operating lease commitments

At 31 July 2016 the total of the group's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£	£
Group and company		
Amounts payable:		
Within 1 year	7,278	9,704
Between 1 and 5 years	-	7,278
	<hr/>	<hr/>
Total	7,278	16,982
	<hr/>	<hr/>

27. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 1 for the debts and liabilities contracted before he/she ceases to be a member.

28. Related party transactions

The Union is in receipt of a recurrent grant from the University of £2,283,000 (2015 - £2,133,000).

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

At the year end the Union owed the University of Manchester £14,714 (2015 - £18,047) in respect of interest free loans given to them which are being paid monthly, the final instalment being due in 2020.

Notes to the financial statements
For the Year Ended 31 July 2016

29. First time adoption of FRS 102

It is the first year that the company has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 July 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 August 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

Reconciliation of total funds	Notes	1 September 2014	31 July 2015
		£	£
Total funds under previous UK GAAP		5,913,263	6,268,679
SUSS deficit funding	A	(4,539,385)	(4,445,533)
Total funds reported under FRS 102		<u>1,373,878</u>	<u>1,823,146</u>

Reconciliation of net Income	Notes	31 July 2015
		£
Net income previously reported under UK GAAP		355,416
SUSS contribution	B	202,892
Interest	C	(109,040)
		-
Net movement in funds reported under FRS 102		<u>449,268</u>

Explanation of changes to previously reported funds and net income/expenditure:

A	Commitment to pay SUSS deficit funding arrangement until September 2031.
B	Reversal of SUSS deficit funding costs recognised in 2014/15.
C	Deemed interest cost on the unwinding of present value calculation in relation to SUSS deficit funding.

The above adjustments have been shown on the group consolidated basis, however the adjustments also relate to the union as an individual charity.

30. Controlling party

The Union is controlled by the Board of Trustees. Eight of the members of the board are subject to democratic election by the voting membership of the Union. The remaining trustees are appointed by the Governance and Appointments Committee. The ultimate control of the Union is vested under the constitution in the membership in General Meeting. As such no single person or entity controls the Union as defined by FRS 102.

University of Manchester Students' Union
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 July 2016

31. Union only results for the year

	2016	2015
	£	£
Income	4,955,438	4,830,082
Expenditure	(4,876,581)	(4,463,641)
Gains on investments	11,526	83,521
	<hr/>	<hr/>
	90,383	449,962
	<hr/>	<hr/>

