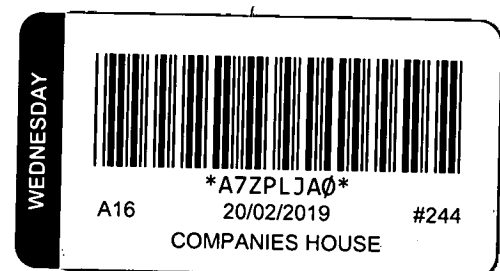


Registered number: 07759820
Charity number: 1144146

University of Manchester Students' Union

Trustees Report and Financial Statements

For the Year Ended 31 July 2018



DAINS
ACCOUNTANTS

Contents

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 21
Independent auditors' report	22 - 24
Consolidated statement of financial activities	25
Consolidated balance sheet	26
Company balance sheet	27
Consolidated statement of cash flows	28
Notes to the financial statements	29 - 49

**University of Manchester Students' Union
(A Private Company Limited by Guarantee)**

**Reference and administrative information
For the year ended 31 July 2018**

Charity number: 1144146
 Company number: 7759820
 Principal address: Steve Biko Building,
 Oxford Road,
 Manchester,
 M13 9PR

Trustees of the Union

Officer Trustees

To 30/06/2018

General Secretary	Alexander Tayler
Women's Officer	Sara Heddi
Campaigns and Citizenship Officer	Daniel Lashley-Johnson
Education Officer	Emma Atkins (resigned 29/03/2018)
Community officer	Jack Houghton
Activities and Development Officer	Catriona Bartlett
Diversity Officer	Riddi Viswanathan
Welfare Officer	Saqib Mahmood (Resigned 13/04/2018)

Student Trustees

**Elected to hold office
From 01/07/2018**

General Secretary	Fatima Abid
Women's Officer	Sara Heddi
Community Campaigns & Citizenship Officer	Shamima Khonat
Education Officer	Olivia Meisl
International Students Officer	Riddi Viswanathan
Activities and Development Officer	Elizabeth Houghton
Liberation & Access officer	Sara Khan*
Welfare Officer	Daniel Lashley-Johnson

Sara Khan (appointed 01/07/2016 resigned 30/06/2018)
 Re-appointed 01/07/2018 (see above)*
 Hannah Murray (appointed 01/09/2017, resigned 30/06/2018)
 Yuk Kwan Ng (appointed 01/09/2017, resigned 30/06/2018)
 Sarah Faulkner (appointed 01/07/2018)
 India Burgess (appointed 01/07/2018)
 Khizar Khalil (appointed 01/07/2018)

External Trustees

Jan Sowa (appointed 06/02/2013, re-appointed 06/02/2016)
 Elizabeth Cameron (appointed 18/09/2013, re-appointed 18/09/2016)
 Vicii Kirkpatrick (appointed 01/07/2017)

Union Director/Chief Executive

Ben Ward (appointed 01/03/2014)

Advisors

Solicitors:	JMW Solicitors LLP 1 Byrom Place Spinningfields Manchester M3 3HG DWF (employment) 1 Scott Place, 2 Hardman Street, Manchester, M3 3AA	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
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**Trustees' Report
For the Year Ended 31 July 2018**

The Trustees present their annual report together with the audited financial statements of the group and the company for the year 1 August 2017 to 31 July 2018. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Objectives and Activities

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.

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

The Union's values are:

Student Led	We are led by students in everything we do and actively develop student leaders
Diverse and Liberating	We ensure accessibility, challenge inequality and champion liberation
Inclusive and Open	Our activities are welcoming to students from all courses, countries, backgrounds and levels of study, encouraging participation
Ambitious & striving for excellence	We set ourselves stretching targets and seek to be the very best at what we do
Ethical and have integrity	We actively seek to minimise any negative impacts of our work and stay true to our values
Creative and Fun	We encourage new ideas and enjoyment for our students, staff and partners

Strategies for achieving objectives

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

We'll help you make the most of your time as a student
We'll help you get the best future
We'll help you discover and connect with Manchester

Trustees' Report (continued)
For the Year Ended 31 July 2018

We'll help you understand and change the world around you
We'll build a truly outstanding students' Union

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

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

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

Advice Service	The Union provides a specialist advice service which supports student needs around the areas of housing, money, welfare and academic issues. Over 3000 students regularly access the service, and are saved thousands of pounds and kept in education through our advocacy.
Educational Engagement	We provide representation and peer leadership for curriculum development, quality assurance and enhancement of our members' education and represent students on all major decision making bodies at the University.
Democracy & Campaigning	We run a range of social justice and campaigning projects which supports the development of civic participation in our members. These are focused on enhancing rights and liberating under-represented groups.
Student Activities & Volunteering	We provide a choice of over 480 student groups which offer students opportunities for social and skills development. We also support student-led volunteering, facilitating a wide range of volunteering and fundraising opportunities.
Community Development	We support a range of student groups around where they live such as hall students, off-campus, mature, part-time and distance learners. We provide services which increase their sense of belonging and the ability to form lasting friendships.
Shops, bars and catering outlets	We run a range of commercial facilities which provide great value products and services, whilst providing relaxing environments for students to meet and interact.
Venues & Events	We provide a series of live music and club venues which attract over 350,000 people through the doors each year. We also stage our annual Welcome Week and a series of live music festivals which are popular with students.

Trustees' Report (continued)
For the Year Ended 31 July 2018

Strategic report

Achievements and performance

Key financial performance indicators

The last two years have been challenging for the Union with extensive closure periods during the building extension program. Overall over the two years the commercial trading areas have been closed for between four and six months in different areas; furthermore there have been extended periods of time with no Commercial leadership in place. The overall financial position of the Union remains stable, reserves are managed in line with the reserve policy, we have been able to fund the entire Union contribution to the building project from general funds rather than dipping into the Buildings trust and absorb a £1.9m revaluation of the pension deficit. That said it was ambitious to expect that we could continue to maintain customer levels with large parts of the building closed and financial surpluses in the trading areas have suffered in the year.

Key financial indicators are

Indicator	Target met	Comment
Reserves in line with policy	Yes	Reserves are currently in excess of the required minimum following a period of rebuilding reserves to invest in the major building extension.
Commercial surpluses	Partially	The commercial subsidiary MAV has exceeded budgeted expectations in the year. We have seen a drop in Media sales revenue due to the challenges of the new spaces, which have now been resolved, but overall this activity remains highly profitable, with virtually no overheads associated with the activity. The other trading areas did not perform as well in the year with the new Biko street area making a loss. The bar also made a loss but was closed for three months of the year for refurbishment.
Year-end surplus	No	The Union has not achieved a surplus position at the end of the year.
Spend in line with budget	Partially	Spending in most areas has remained in line with or better than budget. This is with the exception of the ground floor trading areas as noted above.

Review of activities and factors relevant to achieve objectives

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

Trustees' Report (continued)
For the Year Ended 31 July 2018

Strategic Promise	Programmes of work	Performance
<p>We'll help you make the most of your time as a student</p>	<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"> • Over the last year, the Union has supported 1600 course reps. At the start of the year, we trained over 70% of these reps in face to face sessions, and a further 25% online. In the most recent research at the ends of the academic year, over 80% of students were satisfied with the support received by the Students' Union. Reps from across the institution have made a real impact on their learning experience. This has been particularly important as a number of faculties and schools have been reviewed. We have provided a great deal of student input into the review into the Faculty of Science & Engineering. • We now support 480 societies, the largest total in the UK by some distance. Individual society memberships have levelled off from 2016/17 to 34,000. Over 1 in 3 students are involved in at least one student group, totalling 14,200 students. Our societies are doing amazing things, winning national competitions and leading ground-breaking campaigns. Our Islamic Society has held its internationally recognised event - The Ramadan Tent Project (open Ifar), engaging the wider Manchester community in what it means to fast to bring faiths together. • Our groups have invited over 700 visiting speakers onto campus, giving students the chance to debate and be exposed to wider social issues. Whilst there have been some vigorous debates amongst our students over the Prevent Duty, we are happy we treat our student groups in an even-handed, enabling way. We have not stopped any external speaker during the course of the year and take our duties under the Code of Practice on Freedom of Speech very seriously. We submitted evidence to the recent parliamentary investigation into freedom of speech and continue to strongly advocate for lively and active debate which pushes social attitudes whilst students are studying.

Trustees' Report (continued)
For the Year Ended 31 July 2018

		<ul style="list-style-type: none">• 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.• During the industrial action throughout the first half of 2018, the Union and University maintained a positive dialogue to ensure the impact on students' education has been minimised where possible. We were delighted to work closely on identifying projects (such as free graduation costs) in relation to strike money accumulated by the University. We were the first to take such practical action, and whilst there has been real diversity of opinion throughout the student body, we were able to ensure a strong partnership approach to developing a clear outcome. We also published the priorities of students through the 'Student Voice' report which was presented to the Board of Governors.• We have seen a great uplift in voting this year, to a total of 8038 individual students taking part. Whilst this didn't hit the highs of 2015/16 it is the highest voter turnout in the UK this year. It was a great effort from the whole organisation. We should never see election turnout as an end in itself but it still remains an important indicator of our legitimacy and ability to articulate the student voice to decision makers.• We have received a number of grants from HEFCE (and now OfS) throughout the year. These have included an active bystander project which looks to tackle harassment and discrimination faced by BME students and a grant to examine the issue of Postgraduate Wellbeing in partnership with Manchester Doctoral College. The second project specifically will help us to accelerate our work with PG students; a real area of focus for the Union over the next three years.
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Trustees' Report (continued)
For the Year Ended 31 July 2018

<p>We'll help you get the best future</p>	<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"> • We have worked in partnership with the University to further embed the "Stellify" programme to support students to articulate and demonstrate their extra-curricular skills. So far, over 8500 students have participated in the first stages of the programme. We have ensured all voluntary leadership roles across the Union are embedded into the new HEAR, and we have supported over 4000 leaders during the last year. • We have almost doubled the types of student employment being undertaken in the organisation. We have developed jobs in finance, marketing, event support, research in addition to current roles across our commercial services. • The Advice Service supported 3552 students across the year, which is a 3% increase on the previous year. • The jobshop has been launched to students and has attracted a range of employers on-campus and around the City.
<p>We'll help you discover and connect with Manchester</p>	<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"> • 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. Our Consider Postgrad project is in its third year, which targets those undergraduates in receipt of bursaries and helps them to consider postgraduate study at Manchester, led by current students. • 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 and families living in shelters and improve the environment with community gardening projects. Over 2900 students volunteer with us through

Trustees' Report (continued)
For the Year Ended 31 July 2018

		<p>Student Action. We have built new digital infrastructure with the University to ensure there is a single-entry point for students looking to take part.</p> <ul style="list-style-type: none"> • We have seen a dip in our RAG activities over the course of the year. Whilst they have been able to raise over £200,000 this year, this is a large drop since 2016/17. We are restarting the leadership of this activity and have appointed a new Volunteering and Fundraising manager to give more impetuous into this work. We worked in close partnership with Sport Manchester to get over 2000 staff, students and alumni to become the 'purple wave' in the recent Manchester 10k. We have also worked closely with the University for again to promote the 'Volunthero' campaign in Student Volunteering Week, celebrating the achievements of volunteers both on and off campus.
<p>We'll help you understand and change the world around you</p>	<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"> • 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 are played an active role in the review into the future of Manchester Student Homes. Both us and our Students' Union colleagues at Manchester Metropolitan University have been clear that driving up the quality of student housing is of strategic importance. This is particularly true given the amount of expensive, high-rise private accommodation being built in the city centre. • We have continued to strongly advocate on student safety issues within the City following our research and that of the University. We have piloted a 'student angel' scheme to support vulnerable students in the night time economy, based on the Village Angels scheme in Manchester City Centre. Although the crime rate has dropped statistically, our students are still vocal about a fear of crime.

Trustees' Report (continued)
For the Year Ended 31 July 2018

		<ul style="list-style-type: none"> 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 3000 students and community activists took part in the annual reclaim the night march in February, making it the biggest march of its kind in the UK this year. We have improved support for our liberation campaign groups (women, BME, Disabled and LGBT) ensuring a range of high profile campaigns such as Black History Month have been delivered to thousands of students. We have recruited a full-time co-ordinator to support these student groups.
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"> Work has progressed well on the extension to the building. We completed the project during August 2018 following a three-year rolling build programme. The overall budget was around £10million, with a contribution from the Union of around £1.75million. We have been excited to work with the University to create a cutting-edge Students' Union building, fit for the 21st century. We have conducted a series of ground-breaking research projects throughout the year and have spoken to over 6000 students in a research capacity. An example of the work completed includes the largest piece of work on student safety ever conducted by students. A series of recommendations were fed into the candidates for the Greater Manchester Mayoral election. 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. We further developed work around a customer engagement strategy for the coming year and have moved to a more programmatic approach for our student events programme to ensure our offer remains relevant to all sections of the student community. We are investing further into student media production facilities to ensure

Trustees' Report (continued)
For the Year Ended 31 July 2018

		<p>student generated content is at the heart of our output.</p> <ul style="list-style-type: none"> • In readiness for the launch of the new building, we worked with an external marketing agency to review and create a new brand for the organisation. The current brand is disjointed and doesn't reflect the quality we are trying to portray as a Students' Union going into the next decade.
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 started the year in a relatively strong position, following careful financial management during our first period of building closures. Over the last few years, our financial strategy has been set to accumulate surpluses to invest in the building work and shield against adverse performance. Our cash reserve position remains strong. All our trading services will be back on stream following completion of the building work in September 2018. We are making an overall contribution to the building project of around £1.75million in capital funding. For the second year, we have had to undertake a number of cost saving measures to ensure we don't repeat mistakes of organisational history. This has had some short-term impact in our ability to recruit to vacant staff roles. We have closed various parts of the main Union building throughout the year, and football has been adversely affected throughout this time. • We have continued to accelerate work to improve our organisational culture and ensure we are an effective charity, employer of choice and an organisation which empowers our staff to take leading roles in our broader sector. Set against the backdrop of organisational challenge, we have seen a dip in employee engagement, which given our current position is to be expected. Our senior management team are developing an action plan to resolve this and are using benchmark data from other SUs to identify improvement initiatives. We have now completed work on a new senior management team around a series of Heads of Departments

Trustees' Report (continued)
For the Year Ended 31 July 2018

		<p>who will take ownership of strategic areas of the business. We have continued to embed our series of behaviours, standards and competencies which underpin our performance management framework.</p> <ul style="list-style-type: none"> • We have launched a new Purchase Ordering system and an integrated student expenses app to ensure better access to student group funding.
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"> • We derive much of our unrestricted income from our commercial services, and the Union continues to operate in a fiercely competitive environment. Total trading this year is set to deliver a £450,000 contribution to the Union's bottom line against a usual performance of around £750-800k. The closure of our services and the impact of the building works (whilst with a clear long-term benefit) has caused short term pain and restraint on core-purpose spending. The new services didn't bed in during the first term as originally hoped. We have taken restorative action since the turn of the calendar year and are constantly reviewing our offer. The Academy venues have had an outstanding year and have delivered some real stability during a turbulent year for the other trading services. • As part of the building works, we identified a growth in food-led services as the trends shift from licenced trade. We are continuing the investment over the summer into a new café space and a refurbishment of our public bar. Our in-house media sales agency – 13 Media has shown some limited growth and we are in conversation with an additional three students' unions about providing media sales services.

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 £739 (2017: £1,573).

Trustees' Report (continued)
For the Year Ended 31 July 2018

Financial review

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

Financial risk management objectives and policies

In the year to the 31st July 2018 the Union has recorded a deficit of £235k (2017 deficit of £1,787k). During the building renovations works the commercial services have been closed for significant periods of time and the access from the rear of the building was lost as this was the site compound. The old customers formed new habits and the new catering offer did not manage to pull them back. Giving the significant change in the offering and the space it is unsurprising that the commercial areas have taken 12 months to regain their footing. The Union has been able to provide for these significant closure periods, make a sizable contribution to the building project and maintain their overall cash position in line with the reserve policy.

We are grateful for the continued support from the University in terms of our block grant settlement which, which was increased by 1.7% to £2.36m (£2.32m - 2017) and the additional grants to accelerate projects relating to access, residents' associations and off-campus students. We also recognise the significant investment in the Students' Union building and are grateful for the University's recognition of the mutual benefit of a high performing Students' Union.

Net assets have reduced from £118k to net liabilities of £116k as a consequence of the deficit in the year. The Union has maintained positive general unrestricted funds of £1,466k with the SUSS pension deficit reducing to £5,854k (2017: £6,042k). This is a long term liability for which the Union has an annual repayment plan.

Principal funding sources

Funding of the Union comes from the University of Manchester block grant which has been confirmed for 2018/19 as £2.3m (with an inflationary increase from 2017/18) and trading activities of the commercial entities which, in the year to 31st July 2018, generated income of £4.16m (£4.09m 2017) There is no reason to believe the current level of support from the University of Manchester will not continue over the coming years. A three year funding settlement was re-negotiated during 2015/16 and continues until 2019.

Principal risks and uncertainties

The key risks faced by the Union are outline below

Loss of key personnel

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

Loss of commercial revenue

Commercial revenues are the second primary funding stream after the block grant. There have been some challenges in 2017/18 with the building being closed for a portion of the year. A new Commercial Director will see this risk start to reduce in probability

Trustees' Report (continued)
For the Year Ended 31 July 2018

Reserves policy

Overall approach

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

Unrestricted reserves

The reserve policy makes a provision for

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

The minimum unrestricted reserve balance is £500,000.

The unrestricted reserves stated in the accounts include the pension deficit that is also listed as a creditor. This is a long term liability and would not become due immediately. As such the reserve policy allows for the separating out of the Pension liability and it is the unrestricted balance less the pension deficit to which the policy is applied.

Designated reserves

Fixed assets and investment funds are held as designated reserves as this is not freely available cash. From time to time the Board may be asked to designate reserves for a specific purpose. The Union currently holds a further £40,000 as a designated reserve. This is income that was received from the Armitage Trust to further the Union's charitable purposes. Some of this fund has been allocated for student access to activities and student enterprise, the plans for how these funds will be accessed are currently being developed.

Restricted reserves

In addition to the block grant the Union received periodic funding from the University for specific projects. Any balances in these projects are treated as restricted reserves to be used on delivering the aims of the project.

Structure, governance and management

Constitution

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

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

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

Trustees' Report (continued)
For the Year Ended 31 July 2018

Method of appointment or election of Trustees

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

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

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

The External Trustees are appointed by the Trustees on the recommendation of the Appointments Panel. They serve a term of three years. They are eligible for re-appointment once and can serve a second term.

Pay policy for senior staff

The senior staff pay policy is outlined in the remuneration policy approved by the People and Culture committee. Senior salaries are benchmarked against other students' unions and third sector organisations to ensure that they remain at a level that is competitive and promotes the retention of talent within the Union. This is reviewed annually.

Organisational structure and decision making

Organisation structure

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

Decision making processes

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

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

Trustee Board Committees

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

Governance and Appointments

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

Trustees' Report (continued)
For the Year Ended 31 July 2018

Audit and Risk

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

People and Culture Committee

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

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.

Risk management

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

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

Public benefit statement

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

Effective Governance

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

The Union won the Winifred Tumim prize for good governance in the voluntary sector as a direct result of using the previous code to drive improvement. The award commended the Union's work on diversifying its board to reflect its beneficiaries.

Trustees' Report (continued)
For the Year Ended 31 July 2018

Plans for future periods

The table below outlines the operational priorities for 2018/19 and the key initiatives that will be delivered by teams in support of the strategic plan. They are split using a balanced scorecard which is cascaded through each team for monitoring and evaluation purposes.

Trustees' Report (continued)
For the Year Ended 31 July 2018

Perspective/ promise Stakeholder	Team	Description
We'll help you make the most of your time as a student	M&C & BD	Develop a marketing content plan & student engagement marketing strategy
	SD	Measure engagement with activities and develop targeting for under-represented groups
	All	Develop support for Postgraduate Students & merge with the International Society
	All	Increase breadth & diversity of events on offer for students through a programmatic approach and maximise use of the events spaces
	E&A	Facilitate workshops across all Faculties to analyse the results of NSS and module surveys to inform student-led recommendations for each Faculty and combine with the 'Manchester Teaching Awards' to produce a 'Manchester Teaching and Learning Review'
		Increase the quantity and quality of Teaching Awards submissions including at least 10 Senior Ambassadors and 20 Ambassadors
We'll help you get the best future	M&C	Embed Manchester Media Group support to ensure students receiving high quality professional support
	ALL	Increase student staffing opportunities and skills development programme. Fully launch the Jobshop to students and employers
	E&A	Write and develop better online materials highlighting advice specialisms, workshops and proactive activity, tracking impact with online engagement
We'll help you discover & connect with Manchester	M&C	Develop a Manchester information hub, showcasing relevant activities across the City
	E&A	Pilot a Manchester-wide student assembly for operation in Semester 2 engaging 4 Students' Unions across Manchester and Salford
	Venues	Develop the venues identity and promote our historical significance through new installations, artwork and use of our digital platforms.
We'll help you understand and change the world around you	SD & E&A & Ops	Increase engagement with democratic structures & improve committee support for University representation
	SD	collaborate with the University to develop student led volunteering opportunities and further promote Stellify programme
	E&A	Develop a communications plan for Student Reps to increase the number of engagements with online platforms (website and Caspio) increasing downloads of resources and record achievements in SSLCs/HEAR activity.
		Introduce an 'Alternative Lecture Series' running a series of at least 3 events in semester 1 and develop a student-led programme over semester 2 of at least 10 events.
		Ensure we become a sector leader for the delivery of bespoke training on liberation, campaigning and democratic change

Trustees' Report (continued)
For the Year Ended 31 July 2018

		including 4 training events for each area, with all Liberation Officers and Inclusion Officers trained during Semester 1 and Democratic / Diversity and Liberation a core part of all new employee inductions
		Design and deliver a consistent approach to Social Policy drawing on the expertise of all teams. Ensure outcomes are used to inform Executive Team activity and advocacy
Procedural		
We'll build a truly outstanding student union	All	Review, streamline, document and roll out key processes.
	M&C	Launch and fully embed a new brand for the organisation
		Development of a proactive PR Plan
	M&C led & All	Undertake a digital review and develop plan to build a new digital strategy encompassing all digital tools. Play a full role in the development of the Student Lifecycle Project
	All	Launch new building & continue developing physical spaces to ensure they meet the needs of students and staff
	Ops	Creation of an Estates Masterplan to take the organisation beyond the recent building project
We'll deliver outstanding service	All	Embed agreed service standards framework, underpinned by training plan for all staff
	M&C	Develop internal communications plan for staff and volunteers
	Venues & Ops	Create and manage planned and reactive maintenance budgets, proposals and procedures. Improve fault reporting and monitoring procedures
	SD	Open days and tours which showcase the best of what we do.
People		
We'll be an employer of choice	HR led & All	Deliver people strategy including review of recruitment, induction, learning and development, performance management and reward and recognition
	M&C	Building a community of students who take part and push out research projects which understand the student experience
	Ops	Recruit and induct new members of the Trustee Board and sub-committees
	HR	Run a dedicated student staff survey to understand their needs

Trustees' Report (continued)
For the Year Ended 31 July 2018

Financial		
We'll create a sustainable funding model	Finance led & All	Set up new KPI monitoring framework for all areas and start reporting on these on a monthly basis as part of the management accounts.
	SD, Finance & E&A	Review of student group funding model to improve access to and use of funds available for student activities including roll out of the student expense app to all groups
	Finance & Ops	Preferred supplier project; to have a list of preferred suppliers with a process to update these on a regular basis. Include schedule for tendering key contractors
	Venues & Bars	To work with the bars team to increase 532 sales post events by 15%
		Continue the growth in our club programme by investing in our spaces so they are more appropriate for these events. Install club event specific lighting in Academy 2, Club Academy and non-venue spaces.
	SMT	Continue to work towards building strong and effective teams with consistently high-performance standards
	Ops	Providing expert Governance support to the Raising and Giving societies to ensure continued compliance with fundraising regulations and best practice

Funds held as custodian

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

Clubs & Societies	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 £342k (2017: £369k).
RAG	Funds raised by students under the RAG (Raising and Giving) initiative for distribution to nominated charities. £430k was raised in the year.
Residents associations	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 £120k (2017: £129k).

**Trustees' Report (continued)
For the Year Ended 31 July 2018**

Related parties and subsidiaries

Relationship with the University of Manchester

Under the Education Act 1994, the University of Manchester has a statutory duty to take such steps as are reasonably practicable to ensure that the Union operates in a fair and democratic manner and is held to proper account for its finances. The Union therefore works alongside the University of Manchester in ensuring that the affairs of the Union are properly conducted and that the educational and welfare needs of the Union's members are met. The formal relationship with the University is governed by a Code of Practice and the Union works closely with the University and its students to develop appropriate Bye-Laws for its working practices. The University of Manchester is a related party as defined by the Charities FRS 102 Statement of Recommended Practice (SORP).

The Senior Management of the University, the Officer Trustees and the Union's senior management team meet regularly in the University-Union Relations Committee, which examines the activities and finances of the Union. 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 2017/18 its block grant comprised £2.36m.

Relationship to the National Union of Students

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

Contingent Liability

During the year the charitable company was made aware of a possible increase in the liability for the pension deficit. This relates to a potentially defective amendment made to the closed pension scheme. The outcome of this contingent liability is not yet known, and it cannot be quantified at this stage. As a result, the charitable company do not consider it necessary to provide for any additional liabilities in the accounts for the year ended 31 July 2018.

Trustees' Report (continued)
For the Year Ended 31 July 2018

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 07/12/18 and signed on their behalf by:



Fatima Abid
Officer Trustee

Independent Auditors' Report to the Members of University of Manchester Students' Union

Opinion

We have audited the financial statements of University of Manchester Students' Union (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2018 set out on pages 25 to 49. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

Independent Auditors' Report to the Members of University of Manchester Students' Union

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

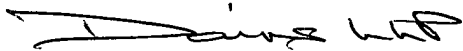
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 opinions we have formed.



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 January 2019

**Consolidated Statement of Financial Activities incorporating Income and Expenditure Account
For the Year Ended 31 July 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	2	2,368,687	204,190	2,572,877	2,500,200
Charitable activities	3	275,231	-	275,231	416,767
Other trading activities	4	4,161,484	-	4,161,484	4,094,059
Investments	5	739	-	739	1,573
Total income		6,806,141	204,190	7,010,331	7,012,599
Expenditure on:					
Raising funds	6	4,536,846	-	4,536,846	4,317,801
Charitable activities	7	2,376,697	225,674	2,602,371	2,702,208
SUSS pension cost	7	124,590	-	124,590	1,847,267
Total expenditure	8	7,038,133	225,674	7,263,807	8,867,276
Net expenditure before investment gains		(231,992)	(21,484)	(253,476)	(1,854,677)
Net gains on investments	14	18,931	-	18,931	67,762
Net expenditure before other recognised gains and losses		(213,061)	(21,484)	(234,545)	(1,786,915)
Net movement in funds		(213,061)	(21,484)	(234,545)	(1,786,915)
Reconciliation of funds:					
Total funds brought forward		45,805	72,475	118,280	1,905,195
Total funds carried forward		(167,256)	50,991	(116,265)	118,280

The notes on pages 29 to 49 form part of these financial statements.

Consolidated Balance Sheet
As at 31 July 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Intangible assets	12		39,097		36,251
Tangible assets	13		3,373,263		3,434,599
Investments	14		807,053		788,122
			<u>4,219,413</u>		<u>4,258,972</u>
Current assets					
Stocks	15	77,745		62,261	
Debtors	16	362,516		501,265	
Investments	17	181,399		181,268	
Cash at bank and in hand		2,123,479		2,138,674	
		<u>2,745,139</u>		<u>2,883,468</u>	
Creditors: amounts falling due within one year	18	(1,362,764)		(1,158,111)	
Net current assets			<u>1,382,375</u>		<u>1,725,357</u>
Total assets less current liabilities			<u>5,601,788</u>		<u>5,984,329</u>
Creditors: amounts falling due after more than one year	19		(5,718,053)		(5,866,049)
Net (liabilities)/assets			<u>(116,265)</u>		<u>118,280</u>
Charity Funds					
Restricted funds	21		50,991		72,475
Unrestricted funds	21		(167,256)		45,805
Total (deficit)/funds			<u>(116,265)</u>		<u>118,280</u>

The financial statements were approved and authorised for issue by the Trustees on 06/12/18 and signed on their behalf, by:



Fatima Abid
Officer trustee

The notes on pages 29 to 49 form part of these financial statements.

Company Balance Sheet
As at 31 July 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Intangible assets	12		39,097		36,251
Tangible assets	13		3,373,263		3,368,627
Investments	14		807,069		788,137
			<u>4,219,429</u>		<u>4,193,015</u>
Current assets					
Stocks	15	45,105		15,887	
Debtors	16	633,868		503,416	
Investments	17	181,399		181,268	
Cash at bank and in hand		1,554,460		1,948,235	
		<u>2,414,832</u>		<u>2,648,806</u>	
Creditors: amounts falling due within one year	18	(1,082,782)		(992,884)	
Net current assets			<u>1,332,050</u>		<u>1,655,922</u>
Total assets less current liabilities			<u>5,551,479</u>		<u>5,848,937</u>
Creditors: amounts falling due after more than one year	19		(5,669,493)		(5,732,410)
Net (liabilities)/assets			<u>(118,014)</u>		<u>116,527</u>
Charity Funds					
Restricted funds			50,991		72,475
Unrestricted funds			(169,005)		44,052
Total (deficit)/funds			<u>(118,014)</u>		<u>116,527</u>

The financial statements were approved and authorised for issue by the Trustees on 06/12/18 and signed on their behalf, by:

Fatima Abid

Fatima Abid
Officer Trustee

The notes on pages 29 to 49 form part of these financial statements.

**Consolidated Statement of Cash Flows
For the Year Ended 31 July 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	23	<u>537,289</u>	<u>(287,633)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		739	1,928
Proceeds from the sale of tangible fixed assets		-	(18,714)
Purchase of tangible fixed assets		(553,091)	(568,183)
Purchase of investments		(1)	-
Net cash used in investing activities		<u>(552,353)</u>	<u>(584,969)</u>
Change in cash and cash equivalents in the year		(15,064)	(872,602)
Cash and cash equivalents brought forward		<u>2,319,942</u>	<u>3,192,544</u>
Cash and cash equivalents carried forward	24	<u><u>2,304,878</u></u>	<u><u>2,319,942</u></u>

The notes on pages 29 to 49 form part of these financial statements.

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.

1.2 Company status

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

1.3 Income

All income is recognised once the Group 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 Group 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 Group 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 of the Friends 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 Group which is the amount the Group 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 donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

**Notes to the Financial Statements
For the Year Ended 31 July 2018**

1. Accounting Policies (continued)

1.4 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.

1.5 Basis of consolidation

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

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

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

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

Licences	-	3 years straight line
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1.7 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.

**Notes to the Financial Statements
For the Year Ended 31 July 2018**

1. Accounting Policies (continued)

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
Fixtures and fittings	-	5% - 33% straight line
Union refurbishment	-	10 - 20% straight line

1.8 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.

1.9 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.

1.10 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.

1.11 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.

1.12 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.

1.13 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.

**Notes to the Financial Statements
For the Year Ended 31 July 2018**

1. Accounting Policies (continued)

1.14 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.

1.15 Pensions

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

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

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

1.16 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.

**Notes to the Financial Statements
For the Year Ended 31 July 2018**

1. Accounting Policies (continued)

1.17 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Critical areas of judgment:

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

2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Other income	5,500	204,190	209,690	179,088
University block grant	2,363,187	-	2,363,187	2,321,112
	<u>2,368,687</u>	<u>204,190</u>	<u>2,572,877</u>	<u>2,500,200</u>
Total donations and legacies	<u>2,368,687</u>	<u>204,190</u>	<u>2,572,877</u>	<u>2,500,200</u>
Total 2017	<u>2,321,112</u>	<u>179,088</u>	<u>2,500,200</u>	

3. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Union events & visitor service	233,348	-	233,348	400,557
Communications	6,077	-	6,077	7,065
Other	35,806	-	35,806	9,145
	<u>275,231</u>	<u>-</u>	<u>275,231</u>	<u>416,767</u>
Total 2017	<u>416,767</u>	<u>-</u>	<u>416,767</u>	

Notes to the Financial Statements
For the Year Ended 31 July 2018

4. Fundraising income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bars	553,117	-	553,117	481,280
Catering	217,879	-	217,879	438,041
Marketing and communications	-	-	-	447,252
Retail	102,022	-	102,022	163,176
Turnover from trading subsidiaries	3,288,466	-	3,288,466	2,564,310
	<u>4,161,484</u>	<u>-</u>	<u>4,161,484</u>	<u>4,094,059</u>
Total 2017	<u>4,094,059</u>	<u>-</u>	<u>4,094,059</u>	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest receivable	739	-	739	1,573
	<u>739</u>	<u>-</u>	<u>739</u>	<u>1,573</u>
Total 2017	<u>1,573</u>	<u>-</u>	<u>1,573</u>	

6. Costs of raising funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bars	253,724	-	253,724	171,665
Catering	189,775	-	189,775	207,539
Retail	73,438	-	73,438	134,596
Marketing and communications	-	-	-	20,815
Costs from trading subsidiaries	1,603,110	-	1,603,110	1,691,282
Allocated support costs	765,196	-	765,196	722,139
Staff costs	1,069,202	-	1,069,202	956,042
Depreciation	582,401	-	582,401	413,723
	<u>4,536,846</u>	<u>-</u>	<u>4,536,846</u>	<u>4,317,801</u>
Total 2017	<u>4,317,801</u>	<u>-</u>	<u>4,317,801</u>	

Notes to the Financial Statements
For the Year Ended 31 July 2018

7. Analysis of expenditure on charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Membership support	607,977	118,026	726,003	755,950
Student voice	744,778	39,146	783,924	655,140
Union events & visitor service	465,890	-	465,890	794,679
Communications	364,613	-	364,613	347,039
Grant funded projects	157,171	68,502	225,673	114,780
Governance costs	36,268	-	36,268	34,620
	<u>2,376,697</u>	<u>225,674</u>	<u>2,602,371</u>	<u>2,702,208</u>
Total 2017	<u>2,545,326</u>	<u>156,882</u>	<u>2,702,208</u>	

8. Analysis of Expenditure by expenditure type

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	1,069,202	582,401	2,885,243	4,536,846	4,317,800
Costs of raising funds	<u>1,069,202</u>	<u>582,401</u>	<u>2,885,243</u>	<u>4,536,846</u>	<u>4,317,800</u>
Membership support	292,902	68	433,033	726,003	755,949
Student voice	420,114	-	363,810	783,924	655,140
Union events & visitor service	86,234	4,058	375,598	465,890	794,679
Communications	207,107	-	157,506	364,613	347,039
Grant funded projects	187,082	-	38,591	225,673	114,779
Governance costs	20,995	-	15,273	36,268	34,620
Charitable activities	<u>1,214,434</u>	<u>4,126</u>	<u>1,383,811</u>	<u>2,602,371</u>	<u>2,702,206</u>
SUSS Pension cost	<u>-</u>	<u>-</u>	<u>124,590</u>	<u>124,590</u>	<u>1,847,266</u>
	<u>2,283,636</u>	<u>586,527</u>	<u>4,393,644</u>	<u>7,263,807</u>	<u>8,867,272</u>
Total 2017	<u>2,497,303</u>	<u>512,675</u>	<u>5,857,294</u>	<u>8,867,272</u>	

Notes to the Financial Statements
For the Year Ended 31 July 2018

9. Analysis of expenditure by activities

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Membership support	429,699	296,303	726,002	755,950
Student voice	565,515	218,410	783,925	655,140
Union events & visitor service	354,394	111,496	465,890	794,679
Communications	243,953	120,660	364,613	347,039
Grant funded projects	225,673	-	225,673	114,780
Governance costs	20,995	15,273	36,268	34,620
Total 2018	<u>1,840,229</u>	<u>762,142</u>	<u>2,602,371</u>	<u>2,702,208</u>
Total 2017	<u>1,980,069</u>	<u>722,139</u>	<u>2,702,208</u>	

10. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charitable group	586,527	581,234
Amortisation of intangible fixed assets	25,054	13,341
Auditors' remuneration - audit	<u>13,800</u>	<u>10,300</u>

**Notes to the Financial Statements
For the Year Ended 31 July 2018**

11. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,030,576	2,273,889
Social security costs	180,314	158,927
Other pension costs	72,746	64,487
	<u>2,283,636</u>	<u>2,497,303</u>

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

	2018 No.	2017 No.
Manchester Academy Venues	21	10
Media Sales	2	1
Union Commercial	28	12
Marketing and communication	8	6
Membership support	20	17
Student voice	15	19
Union events and visitor services	7	3
House	5	3
Finance and resource	6	5
Central	5	5
	<u>117</u>	<u>81</u>

The number of higher paid employees was:

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1

Trustees remuneration of £156,263 (2017 - £149,663) and related employer pension costs of £3,096 (2017 - £1,068) comprise the cost of employing the 8 (2017 - 8) sabbatical representation officers.

During the year, no trustees received any benefits in kind (2017 - £nil).

During the year, one trustee received reimbursement of expenses totalling £593 (2017 - £809).

Key management consists of officer trustees and the chief executive officer as detailed on page 1. Their aggregate remuneration (including employers pension costs) totalled £226,582 (2017 - £215,524) during the year.

Notes to the Financial Statements
For the Year Ended 31 July 2018

12. Intangible fixed assets

Group and Company	Licences £
Cost	
At 1 August 2017	49,592
Additions	27,900
	<hr/>
At 31 July 2018	77,492
	<hr/>
Amortisation	
At 1 August 2017	13,341
Charge for the year	25,054
	<hr/>
At 31 July 2018	38,395
	<hr/>
Carrying amount	
At 31 July 2018	39,097
	<hr/> <hr/>
At 31 July 2017	36,251
	<hr/> <hr/>

Notes to the Financial Statements
For the Year Ended 31 July 2018

13. Tangible fixed assets

Group	Long leasehold property £	Academy refurbish- ment £	Fixtures and fittings £	Union refurbish- ment £	Total £
Cost					
At 1 August 2017	1,247,798	3,977,315	911,317	2,084,745	8,221,175
Additions	-	93,775	161,511	269,905	525,191
Transfer between classes	-	11,980	-	(11,980)	-
At 31 July 2018	1,247,798	4,083,070	1,072,828	2,342,670	8,746,366
Depreciation					
At 1 August 2017	998,695	2,274,491	677,080	836,310	4,786,576
Charge for the year	22,646	205,202	144,786	213,893	586,527
At 31 July 2018	1,021,341	2,479,693	821,866	1,050,203	5,373,103
Net book value					
At 31 July 2018	226,457	1,603,377	250,962	1,292,467	3,373,263
At 31 July 2017	249,103	1,702,824	234,237	1,248,435	3,434,599

Company	Long leasehold property £	Academy refurbish- ment £	Fixtures and fittings £	Union refurbish- ment £	Total £
Cost					
At 1 August 2017	1,247,798	3,893,982	911,317	2,084,745	8,137,842
Additions	-	93,775	161,511	269,905	525,191
Transfers intra group	-	65,972	-	-	65,972
Transfer between classes	-	11,980	-	(11,980)	-
At 31 July 2018	1,247,798	4,065,709	1,072,828	2,342,670	8,729,005
Depreciation					
At 1 August 2017	998,695	2,257,130	677,080	836,310	4,769,215
Charge for the year	22,646	205,202	144,786	213,893	586,527
At 31 July 2018	1,021,341	2,462,332	821,866	1,050,203	5,355,742
Net book value					
At 31 July 2018	226,457	1,603,377	250,962	1,292,467	3,373,263
At 31 July 2017	249,103	1,636,852	234,237	1,248,435	3,368,627

Notes to the Financial Statements
For the Year Ended 31 July 2018

14. Fixed asset investments

Group	Unlisted securities £
Market value	
At 1 August 2017	788,122
Revaluations	18,931
At 31 July 2018	<u>807,053</u>

Group investments at market value comprise:

	2018 £	2017 £
Unlisted investments	<u>807,053</u>	<u>788,122</u>

All the fixed asset investments are held in the UK

Notes to the Financial Statements
For the Year Ended 31 July 2018

14. Fixed asset investments (continued)

		Unlisted securities £	Sub total carried forward £
Company			
Market value			
At 1 August 2017		788,122	788,122
Revaluations		18,931	18,931
At 31 July 2018		<u>807,053</u>	<u>807,053</u>
	Sub total brought forward £	Shares in group undertakings £	Total £
Company			
Market value			
At 1 August 2017	788,122	15	788,137
Additions	-	1	1
Revaluations	18,931	-	18,931
At 31 July 2018	<u>807,053</u>	<u>16</u>	<u>807,069</u>
Company investments at market value comprise:			
		2018 £	2017 £
Unlisted investments		807,053	788,122
Group		16	15
Total		<u>807,069</u>	<u>788,137</u>

All the fixed asset investments are held in the UK

Subsidiary companies

At 31 July 2018 the Union held 100% of the issued share capital in Manchester Academy Venues Limited, Th1rt3en Ltd, and Materialise Limited which is dormant. All of the subsidiary companies are incorporated in the United Kingdom.

15. Stocks

	2018 £	Group 2017 £	2018 £	Company 2017 £
Finished goods and goods for resale	<u>77,745</u>	<u>62,261</u>	<u>45,105</u>	<u>15,887</u>

Notes to the Financial Statements
For the Year Ended 31 July 2018

16. Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	219,287	216,696	146,874	201,509
Amounts owed by group undertakings	-	-	392,873	131,633
VAT repayable	12,525	158,599	7,175	121,733
Other debtors	17,304	23,300	22,196	11,018
Prepayments and accrued income	113,400	102,670	64,750	37,523
	<u>362,516</u>	<u>501,265</u>	<u>633,868</u>	<u>503,416</u>

17. Current asset investments

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Unlisted investments	181,399	181,268	181,399	181,268
	<u>181,399</u>	<u>181,268</u>	<u>181,399</u>	<u>181,268</u>

18. Creditors: Amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Other loans	8,047	11,380	8,047	11,380
Trade creditors	111,735	105,539	44,266	53,931
Other taxation and social security	67,627	40,490	62,738	40,490
Amounts held for clubs and societies	341,920	369,211	341,920	369,211
Pension creditor	184,103	309,752	184,103	309,752
Other creditors	124,163	90,952	79,403	71,767
Accruals and deferred income	525,169	230,787	362,305	136,353
	<u>1,362,764</u>	<u>1,158,111</u>	<u>1,082,782</u>	<u>992,884</u>

	Group		Company	
	£	£	£	£
Deferred income				
Deferred income at 1 August 2017	158,975	181,336	83,975	106,986
Resources deferred during the year	175,821	158,975	100,821	83,975
Amounts released from previous years	(158,975)	(181,336)	(83,975)	(106,986)
Deferred income at 31 July 2018	<u>175,821</u>	<u>158,975</u>	<u>100,821</u>	<u>83,975</u>

**Notes to the Financial Statements
For the Year Ended 31 July 2018**

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.

Other loans from the University of Manchester are unsecured and interest free.

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Pension creditor	5,669,493	5,732,410	5,669,493	5,732,410
Accruals and deferred income	48,560	133,639	-	-
	5,718,053	5,866,049	5,669,493	5,732,410

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Repayable other than by instalments	4,705,315	4,412,856	4,705,315	4,412,856

20. Financial instruments

	2018	2017
	£	£
Financial assets measured at fair value through income and expenditure	2,123,479	2,138,674
Financial assets measured at amortised cost	283,010	477,438
	2,406,489	2,616,112
Financial liabilities measured at amortised cost	6,829,322	6,865,184

Financial assets measured at fair value through income and expenditure comprise cash and bank balances and investments.

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and VAT repayable.

Financial liabilities measured at amortised cost comprise trade creditors, other taxation and social security, other loans, amounts held on behalf of clubs and societies, pension creditor and accruals.

Notes to the Financial Statements
For the Year Ended 31 July 2018

21. Consolidated statement of funds

Consolidated statement of funds - current year

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2018 £
Designated funds						
Fixed asset reserve	3,434,599	-	(586,527)	525,191	-	3,373,263
Investment reserve	776,592	-	-	11,530	18,931	807,053
Robert Armitage Trust	40,000	-	-	-	-	40,000
	<u>4,251,191</u>	<u>-</u>	<u>(586,527)</u>	<u>536,721</u>	<u>18,931</u>	<u>4,220,316</u>
General funds						
Unrestricted funds	1,836,776	6,806,141	(6,327,016)	(849,877)	-	1,466,024
SUSS pension deficit	(6,042,162)	-	(124,590)	313,156	-	(5,853,596)
	<u>(4,205,386)</u>	<u>6,806,141</u>	<u>(6,451,606)</u>	<u>(536,721)</u>	<u>-</u>	<u>(4,387,572)</u>
Total Unrestricted funds	<u>45,805</u>	<u>6,806,141</u>	<u>(7,038,133)</u>	<u>-</u>	<u>18,931</u>	<u>(167,256)</u>
Restricted funds						
Restricted project funds	72,475	204,190	(225,674)	-	-	50,991
Total of funds	<u>118,280</u>	<u>7,010,331</u>	<u>(7,263,807)</u>	<u>-</u>	<u>18,931</u>	<u>(116,265)</u>

Notes to the Financial Statements
For the Year Ended 31 July 2018

21. Consolidated statement of funds (continued)

Consolidated statement of funds - prior year

	Balance at 1 August 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2017 £
Designated funds						
Fixed asset reserve	3,459,627	-	(593,214)	568,186	-	3,434,599
Investment reserve	708,834	-	-	-	67,762	776,596
Robert Armitage Trust	40,000	-	-	-	-	40,000
	<u>4,208,461</u>	<u>-</u>	<u>(593,214)</u>	<u>568,186</u>	<u>67,762</u>	<u>4,251,195</u>
General funds						
Unrestricted funds	1,983,192	6,833,511	(6,151,262)	(828,664)	-	1,836,777
SUSS pension deficit	(4,336,726)	-	(1,965,914)	260,478	-	(6,042,162)
	<u>(2,353,534)</u>	<u>6,833,511</u>	<u>(8,117,176)</u>	<u>(568,186)</u>	<u>-</u>	<u>(4,205,385)</u>
Total Unrestricted funds	<u>1,854,927</u>	<u>6,833,511</u>	<u>(8,710,390)</u>	<u>-</u>	<u>67,762</u>	<u>45,810</u>
Restricted funds						
Restricted project funds	<u>50,269</u>	<u>179,088</u>	<u>(156,882)</u>	<u>-</u>	<u>-</u>	<u>72,475</u>
Total of funds	<u>1,905,196</u>	<u>7,012,599</u>	<u>(8,867,272)</u>	<u>-</u>	<u>67,762</u>	<u>118,285</u>

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 an as yet not undertaken specific project.

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

Notes to the Financial Statements
For the Year Ended 31 July 2018

22. Analysis of consolidated net assets between funds

Analysis of consolidated net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Intangible fixed assets	39,096	-	39,096
Tangible fixed assets	3,373,262	-	3,373,262
Fixed asset investments	807,055	-	807,055
Current assets	2,694,147	50,991	2,745,138
Creditors due within one year	(1,362,763)	-	(1,362,763)
Creditors due in more than one year	(5,718,053)	-	(5,718,053)
	<u>(167,256)</u>	<u>50,991</u>	<u>(116,265)</u>

Analysis of consolidated net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Intangible fixed assets	36,251	-	36,251
Tangible fixed assets	3,434,599	-	3,434,599
Fixed asset investments	788,119	-	788,119
Current assets	2,810,996	72,475	2,883,471
Creditors due within one year	(1,158,111)	-	(1,158,111)
Creditors due in more than one year	(5,866,049)	-	(5,866,049)
	<u>45,805</u>	<u>72,475</u>	<u>118,280</u>

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

	2018 £	Group 2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(234,545)	(1,786,915)
Adjustment for:		
Depreciation and amortisation charges	611,581	594,575
Gains on investments	(18,931)	(67,762)
Dividends, interest and rents from investments	(739)	(1,928)
Loss on the sale of fixed assets	-	11,980
(Increase)/Decrease in stocks	(15,484)	45,956
Decrease/(increase) in debtors	138,750	(97,111)
Increase in creditors	56,657	1,013,572
Net cash provided by/(used in) operating activities	<u>537,289</u>	<u>(287,633)</u>

Notes to the Financial Statements
For the Year Ended 31 July 2018

24. Analysis of cash and cash equivalents

	2018 £	Group 2017 £
Cash in hand	2,123,479	2,138,674
Notice deposits (less than 3 months)	181,399	181,268
Total	<u>2,304,878</u>	<u>2,319,942</u>

25. Capital commitments

At 31 July 2018 the group and company had capital commitments as follows:

	2018 £	Group 2017 £	2018 £	Company 2017 £
Contracted for but not provided in these financial statements	<u>1,004,352</u>	<u>1,208,877</u>	<u>1,004,352</u>	<u>1,208,877</u>

26. Pension commitments

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

The most recent Valuation of the Scheme was carried out as at 30 June 2016 and showed that the market value of the Scheme's assets was £101,000,000, with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £120,000,000.

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 2016:

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

The 2016 Valuation recommended a monthly contribution requirement by each Participating Employer expressed in monetary terms intended to clear the ongoing funding deficit over a period of 15 years and will increase by at least 5% each year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the Scheme. These rates applied with effect from 1 October 2014 and will be formally reviewed following completion of the next Valuation due with an effective date of 30 June 2019. Surpluses or deficits which arise at future valuations will also impact on the Union's future contribution commitment. See note 18 and 19 for the liability recognised under the currently agreed deficit funding plan expiring September 2033. Liabilities are shown on a discounted present value basis. In addition to the above contributions, the Union also pays its share of the Scheme's levy to the Pension Protection Fund.

Notes to the Financial Statements
For the Year Ended 31 July 2018

26. Pension commitments (continued)

The total contributions paid into the Scheme by the Union in respect of eligible employees for the year amounted to £nil (2017 - £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 £72,746 (2017 - £64,487). Contributions totalling £20,049 (2017 - £10,462) were payable to the fund at the balance sheet date and are included in creditors.

27. Operating lease commitments

At 31 July 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2018 £	2017 £
Amounts payable:		
Within 1 year	<u>2,426</u>	<u>2,426</u>

28. Contingent liabilities

During the year the charitable company was made aware of a possible increase in the liability for the pension deficit. This relates to a potentially defective amendment made to the closed pension scheme. The outcome of this contingent liability is not yet known, and it cannot be quantified at this stage. As a result, the charitable company do not consider it necessary to provide for any additional liabilities in the accounts for the year ended 31 July 2018.

29. 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.

30. Related party transactions

The Union is in receipt of a recurrent grant from the University of Manchester of £2,363,187 (2017 - £2,321,112).

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 £8,047 (2017 - £11,380) 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 2018

31. 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.

32. Union only results for the year

	2018 £	2017 £
Income	4,389,027	4,503,182
Expenditure	(4,642,502)	(6,366,884)
Gains on investments	18,931	67,762
	<hr/>	<hr/>
Net decrease in funds	(234,544)	(1,795,940)
	<hr/>	<hr/>