

Registered number: 07329036
Charity number: 1143764

Edge Hill Students' Union Limited

Trustees' Report and Financial Statements

For the Year Ended 31 July 2021



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Edge Hill Students' Union Limited
(A Company Limited by Guarantee)

Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 31 July 2021

Trustees	Molly Smallwood (resigned 24 September 2021) Callum Chambers (resigned 30 June 2021) Ellie Pither (resigned 30 July 2021) Colin Dyas Sarah Ellis Alex McCann Bill Hancox Kathryn Murphy, Trustee (appointed 1 July 2021, resigned 20 August 2021) Rhiannon Muise (appointed 1 July 2021) Georgia Whalley-Smith (appointed 1 July 2021) Alykhan Kassam Eri Mountbatten-O'Malley
Company registered number	07329036
Charity registered number	1143764
Registered office	Edge Hill Students' Union The Hub St Helens Road Ormskirk Lancashire L39 4QP
Independent auditors	Dains LLP Statutory Auditor Suite 2, Albion House 2 Etruria Office Village Forge Lane Stoke on Trent Staffordshire ST1 5RQ
Solicitors	Weightmans LLP 100 Old Hall Street Liverpool L3 9QJ

Trustees' Report
For the Year Ended 31 July 2021

The Trustees present their annual report together with the audited financial statements of the charity for the year 1 August 2020 to 31 July 2021. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable 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 (FRS102) (effective 1 January 2019).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Structure, Governance and Management

Edge Hill Students' Union is a student-led educational charity. It is legally a company limited by guarantee (Registered No. 07329036) with the Trustees as company law members, and a registered charity (Registered No. 1143764). The Students' Union is 'separate but part of' Edge Hill University and subject to the University's Charter and Statutes. It also owns a trading subsidiary, Edge Hill Students' Union Trading Limited.

As a charity we have a Trustee Board which oversees administration, governance and legal compliance. The Trustee Board consists of up to four elected Student Sabbatical Trustees, up to four appointed Student Trustees, in addition to up to four appointed Independent Trustees who offer professional experience, knowledge and expertise. The Trustee Board has delegated the day-to-day running of services and provisions to the Chief Executive, Paul Malone, through an agreed schedule of delegations. The Trustees receive regular reports from the Chief Executive and the Finance Manager.

The Chief Executive coordinates the staff team of the Students' Union who work closely with the elected student officers to provide services and provisions to benefit our student members. Staff ensure that the strategy and operating plans are carried out in line with agreed budgets.

The Students' Union's governing document is its Memorandum and Articles of Association and related bye laws. The Students' Union operates on democratic principles. The Full Time Sabbatical Officers are elected by cross campus ballots annually in accordance with the Education Act 1994. Each officer has a specific portfolio remit as well as being jointly responsible for an effective and clear student voice to the University on issues which matter to students.

Governing Bodies

The Trustee Board shall have responsibility for overseeing the administration and management of the Union. They are responsible collectively for the overall well-being and strategic direction, efficient operation, and good governance of the Union, including compliance with legal and financial requirements.

The relationship between the Board and Chief Executive is fundamental to effective governance and management of the Union. One element of this is to ensure that the Chief Executive is appropriately performance managed and remunerated. It is the responsibility of the Board to ensure that the Chief Executive has clear objectives, to review performance and consider the development of their employee alongside that of the charity. The Board uses benchmarked salaries and benefits paid to Chief Executives in students' unions and the voluntary sector to establish a suitable level of remuneration. The Students' Union employs full and part-time staff to ensure the effective management and operations of its wide range of activities. Those employees are accountable to the Chief Executive for the performance of their duties.

Trustees' Report (continued)
For the Year Ended 31 July 2021

Structure, Governance and Management (continued)

Recruiting and Training of Trustees

Whilst there is no policy in place for induction and training of trustees, the Union ensures that all trustees are taken through a specifically organised training programme.

Relationship with Edge Hill University

The relationship between Edge Hill University and the Students' Union is established in the Code of Practice approved by both organisations. The Students' Union receives a 'Block Grant' from the University based on a percentage of the University's turnover, and in addition to this, receives a 'Rent Grant' to cover space occupied by the Union which is owned by the University.

Although the Students' Union continues to generate supplementary funding from various trading activities, it will always be dependent on the University's support. There is no reason to believe that this or equivalent support from the University will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on the University to ensure the financial viability of its student representative body.

Relationship with Edge Hill Students' Union Trading Limited

As previously stated, the Students' Union has one wholly owned trading subsidiary, Edge Hill Students' Union Trading Limited. Since 1 August 2017 there has not been any activity in this company. Edge Hill Students' Union Trading Limited will continue to exist in the event that the Students' Union carries out any significant non-primary purpose trading in the future.

Risk management

The Union's risk management strategy includes the annual review of the risk policy and a risk register summary update at each Board meeting. The process seeks to identify major risks and assesses them about impact and likelihood of occurrence. A risk score is then formulated for each risk so they can be prioritised as low, medium, or high. The risk register identifies the risk owner, mitigating controls in place, actions required to mitigate further, and the deadline for those actions.

The principal risks and uncertainties currently facing the Union are:

The possible reduction in funding by the University caused by:

- Their own financial health
- Their perception of the value of the role of the Union

The financial health of the University is itself dependent on funding, which in turn is susceptible to factors beyond the control of the Union, including:

- Government policy in relation to higher education specifically affecting the academic offer at Edge Hill University
- Popularity of the academic offering
- Popularity because of academic standards
- Popularity because of the attractiveness of the campus and its facilities
- Popularity driven by affordability and fee levels
- Other demographic challenges faced by the University
- a. Competition from other trading services both on campus and in the local proximity from retail and food and beverage operators.

Trustees' Report (continued)
For the Year Ended 31 July 2021

Structure, Governance and Management (continued)

- b. Reputational damage in the unlikely event of a high-profile activity by a student
- c. Reputational damage in the unlikely event of a high-profile activity by a trustee.
- d. Our plans and strategies for managing risk include maintaining effective internal controls, a risk register, incident-reporting and monitoring systems and insurance cover wherever appropriate.

Statement of Public Benefit

The Students' Union's vision is 'to create the best student experience we can for as many Edge Hill students as possible' and exists for the advancement of education of students at Edge Hill University for the public benefit. This is through:

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

The Students' Union operates within the requirements of the University to satisfy the 1994 Education Act. The Articles state that the Students' Union will always seek to:

- 1. Ensure that the diversity of its membership is recognised and that equal access is available to all members of whatever origin or orientation;
- 2. Pursue its aims and objectives independent of any political party or religious group; and
- 3. Pursue equal opportunities by taking positive action within the law to facilitate participation of groups discriminated against by society.

In pursuit of these aims for the public benefit, the Students' Union will ensure the diversity of its membership is recognised, valued, and supported and has established departments and services for use by its members and to support its work with the University and other organisations on behalf of students. These services include the advice centre, our representation and democracy work, our societies and activities programmes, the bar, retail, food, and launderette outlets. Sabbatical Officers of the Students' Union sit on all senior level committees of the University and meet regularly with the Local Authority, members of the Community Safety Partnership and other providers of public services affecting students. In setting our objectives and planning our activities, the trustees have considered the Charity Commission's general guidance on public benefit.

Charity Governance Code

Throughout the year, the Trustees and Chief Executive of the Students' Union have been working together to adopt the Students' Union Governance Code (this is a specifically adapted version of the Governance Code released in July 2017 which was endorsed by the Charity Commission in June 2018). The Code is a tool by which Trustee Boards can measure and develop their governance and leadership. It is the Board's intention to continue to work through the key Principles and associated action plans and Quality Students' Union recommendations. This work continues.

Trustees' Report (continued)
For the Year Ended 31 July 2021

Structure, Governance and Management (continued)

External Affiliations

Advice UK	£258.00
Child Poverty Action Group (CPAG)	£120.60
National Association for Student Money Advisors (NASMA)	£240.00
National Union of Students (NUS)	£11,096.00
National Homelessness Advice Service (NHAS)	£0
UK Council for International Students Affairs (UKCISA)	£0

Objectives and activities

Objective: Representing Edge Hill Student Voices

Achievement

- Edge Hill Students' Union put in place extra measures to advertise, facilitate, and review the effectiveness of its Student Council. Following these processes, a full Student Council review was conducted with suggestions for improved mechanisms of representation.
- Edge Hill Students' Union devised a new Fit and Proper system to better prepare candidates for the responsibilities associated with becoming an elected officer and trialed it in its March Elections.

Student Council Review

Throughout the 20/21 academic year, Edge Hill Students' Union placed additional resource into advertising and facilitating its Student Council.

- The Union held six meetings rather than three (as required by the Terms of Reference) to ensure students did not have to wait to raise an issue.
- In the wake of COVID-19, the Union made use of Zoom software, with additional staff support to answer messages submitted via the chat function.
- Preliminary meetings were held between the Secretary and Chair prior to each Council session to triage any incoming items.
- Meetings were scheduled for ninety minutes, usually finishing earlier (as opposed to 2018's meetings which were scheduled for 180 minutes).
- All Council sessions were promoted across social media and student newsletters to encourage wider participation and transparency. All Council sessions were also diarised and published on the Students' Union website for all students to access.

The Union also ensured that attending members were fully informed and trained with regard to their duties and responsibilities:

- Two digital training sessions were offered to Council members made readily accessible via Zoom because of COVID-19 restrictions.
- A written 'Quick Guide to Student Council' was produced for those who were not able to access training but still wished to attend, suitable for both elected members and students.
- Separate training was provided for the Chair on a 1-1 basis.

Trustees' Report (continued)
For the Year Ended 31 July 2021

Objectivites and activities (continued)

Following the review, Student Council was found to be an antiquated structure which was ineffective for capturing student voices. The Students' Union will now focus on its Student Networks, Your Ideas, and Course Feedback function as ways in which Edge Hill Students' Union can represent students.

Edge Hill Students' Union Elections

Edge Hill Students' Union successfully conducted its annual elections, during which candidates were invited to attend digital workshops throughout February to receive information about the election process, the roles themselves, and to clarify changes from previous years.

Changes from previous years' elections included:

- A brand new officer structure, introducing three faculty-led student engagement officer roles.
- Faculty of Arts and Sciences Engagement Officer
- Faculty of Education Engagement Officer
- Faculty of Health, Social Care, and Medicine Engagement Officer
- Delaying the election of the Union's Voluntary Officer team to October 2021 due to the ongoing Student Council review

As opposed to previous years' self-nomination, a new application process was devised placing higher emphasis on 'fit and proper' candidates which included:

- a mandatory self-screening exercise against the Nolan Principles of Public Life;
- self-screening of historic social media activity;
- a University disciplinary record check.

Following the Fit and Proper candidate checks, all candidates were required to attend a 1:1 session with the Students' Union Engagement Manager, during which they were given in-depth information relating to the roles, expected behavioral standards and manifesto advice.

All nominees were reviewed by the Election Committee prior to being announced, with the election committee comprising of Students' Union and University managers and department heads.

- A total of nine candidates took part over three, faculty-led student officer positions and one student governor position.
- 910 total votes were registered over four positions
- Only one complaint was logged during the voting window, which was ultimately not upheld

Objective: Reaching Out and Listening to Student Voices

- Edge Hill Students' Union introduced brand new Student Networks to help it digitally gather feedback from student groups during the COVID-19 pandemic
- High-Level consultations were conducted using digital platforms on matters relating to the University's Equality, Diversity, and Inclusion plans and Access and Participation Plans.
- Course Reps were recruited using digital platforms and then training was delivered through a series of Zoom sessions and pre-recorded materials, in order to ensure COVID protocols were upheld.

Trustees' Report (continued)
For the Year Ended 31 July 2021

Objectivites and activities (continued)

Student Networks

Edge Hill Students' Union created new Student Networks in order to reduce the impact of COVID-19 on its ability to consult students on a variety of topics.

Networks were used across the Union's programme of projects and campaigns and operated on an opt-in basis.

At year 20/21 year end, the Students' Union had 1593 students within its student networks, divided as follows:

Name of Network	Number of Students
Non-Drinking Students	1332
Mental Health and Wellbeing	86
Women Students	54
Postgraduate Research Students	14
Postgraduate Students	13
LGBQ+ Students	34
Student Parents	7
Disabled Students	15
BAME Students	15
Student Carers	3
Trans and Non-Binary Students	20
Total	1593

Consultation Work

Edge Hill Students' Union was pleased to assist the University in gathering student feedback on their Equality, Diversity, and Inclusion Strategy draft.

The Students' Union also assisted with the independent student submission to the Office for Students regarding the University's 2019 APP Plan.

- An initial consultation survey was distributed among student networks.
- Follow-up virtual focus groups were held with respondents with notes taken and submitted to the University for their consideration.

A paper was then submitted to the Office for Students, with the overall findings best summarised as students being generally pleased with the University's APP project, but also providing constructive criticism around how plans are communicated to students and a lack of awareness regarding the project's outputs.

Course Reps

Despite restrictions on in-person recruitment of course reps, a vital part of the Union's strategy to maximise engagement in that area, Edge Hill Students' Union still managed to recruit over 400 course representatives across the University's three faculties.

Trustees' Report (continued)
For the Year Ended 31 July 2021

Objectivites and activities (continued)

In addition to numbers, the Students' Union devised new, digital methods of working with its course representatives, including:

- Representative training being delivered digitally, using a combination of videos and live Zoom sessions.
- Online materials and guides being created for course representatives, made available for them to access at any time.

The accessibility of the digital training has ensured that all representatives are given the support they need, regardless of whether they can attend campus, which has previously been a barrier with in-person training

Objective: Effective Engagement with Edge Hill Students

Achievement

- Edge Hill Students' Union successfully organised a "Virtual Welcome Fair," allowing students to sign up to its existing societies. Further support was then offered to society leaders in terms of adapting their sessions so that they were COVID-safe.
- Despite the many obstacles presented by COVID-19, societies still managed to thrive as the hub of student communities on campus. In 20/21, society leaders were recognised in the University's annual career awards, and societies continued to show innovation in how they collaborated, fundraised, and engaged with students.

Virtual Welcome Fair

Despite restrictions caused by COVID-19 in terms of access to physical space on campus and large in-person gatherings, Edge Hill Students' Union still managed to effectively deliver a Virtual Welcome Fair offering for students.

The aim of the fair was to provide an easy mechanism for students to register an interest in their favourite societies:

- 56 societies took part in the Virtual Welcome Fair across a range of recreational, ideological, and academic interests.
- 975 students registered their interest in a society during the Virtual Welcome Fair open window.

Following Welcome Week, the Students' Union promoted one-to-one digital sessions for society leaders, with the express purpose of providing resource and support for societies having to change from in-person sessions to virtual sessions.

All training for societies during this period was delivered digitally in accordance with COVID-19 restrictions.

Societies

Despite COVID-19 restricting what many societies could achieve and organise during the 20/21 academic year, the Students' Union ended the academic year with 81 affiliated societies.

Trustees' Report (continued)
For the Year Ended 31 July 2021

Objectivites and activities (continued)

Awards for Society Leaders

Several Students' Union society leaders were recognised during Edge Hill University's annual Careers Awards, which took place virtually on Tuesday 27 April.

Winners included:

- President of Students' Union's Integrated Health and Social Care Society
- President of the Multicultural Society
- President of the Queer Society

Of her award, Emma Grady, President of the Union's Integrated Health and Social Care Society said, "Winning an award has made me feel so proud of being a volunteer. I volunteer because it's a passion and don't expect recognition, but receiving it has made me feel like my contribution makes a difference."

Sam Colson, President of the Queer Society, said, "As somebody who has been bullied in the past and still faces discrimination to this day for my sexuality and gender identity, being able to bring meaningful change to the Edge Hill community and for the LGBTQ+ community I love so much has been an honour and privilege I will never forget."

Nuku Somevi, President of the Multicultural Society, said, "My team and I have been working incredibly hard to bring this society to the forefront of the University, so the nomination proves that it is happening, and we hope the society continues to grow and create a safe environment for people from all different backgrounds and walks of life."

Society Good News Stories

Despite clear obstacles, many of our societies thrived during the pandemic and associated lockdowns, providing an essential outlet for students and a network of support on and off campus.

Following Students' Union training on how to innovate and think laterally when presented with lockdown restrictions, society good news stories for the 20/21 academic year included:

- The Queer Society collaborated with Liverpool Hope University's LGBTQ+ Society to celebrate the Trans Day of Visibility by hosting a virtual discussion event.
- The Sign Language Society hosted a virtual workshop as part of the 'Give It A Go' events programme. Over 60 students from the Faculty of Education attended and received training in basic BSL, deaf awareness and deaf culture.
- The Education Society ran a three-part event series of specialist talks sponsored by the National Education Union to support specialist learning.
- The Christian Union ran a series of Easter celebration events including guest talks and a virtual easter egg hunt.
- Raising and Giving Society organised a Foodbank Christmas Appeal. The students collected and delivered four large boxes to local food banks. In addition, they have raised close to £400 this year for their chosen charities through lockdown events and challenges.
- The Medical Society applied for and secured £100 in funding from the Medical Defence Union.
- The Midwifery Society successfully processed an application for a £250 grant to affiliate with the Royal College of Midwives

Trustees' Report (continued)
For the Year Ended 31 July 2021

Objectives and activities (continued)

Despite the challenging circumstances, students have continued to coordinate virtual events to ensure that their societies provide social and educational opportunities for others.

These events include:

- A virtual sign language flash mob by the Sign Language Society
- Guest speaker workshops organised by the Integrated Health and Social Care Society
- Online study days with the Midwifery Society and a collaborative 'Discussion Evening' held jointly by the Multicultural Society and the Christian Union Society.

Objective: Raising Awareness Through Student Led Campaigns

Achievement

Officer campaigns, projects and celebrations continued over a range of topics from trans rights to mental health, and sexual misconduct to better provisions for performing arts students.

No in-person campaigning? No problem!

Despite the officers' ability to embark on in-person campaigns, engaging with students on the ground at Edge Hill University, being severely inhibited by COVID-19, the full-time and voluntary officer team still enjoyed a productive year of bringing about tangible change for Edge Hill students.

- Allocated time slots were secured within the Arts Centre during the Spring to ensure that performance-based societies have a reserved time to share any work, both informally with family and friends and also with professionals such as agents and casting teams.
- The 'Make a Difference' campaign brought Trans rights to the forefront of both students and staff at Edge Hill. Pronoun workshops were delivered in each department, with the Trans and Non-Binary Elected Officer also directly supporting University staff to solve problems unique to their teams. A resource for students regarding how best to approach University staff about changing their pronouns was created, and can now be accessed directly by the student, or can be shared with staff via the SU team if they prefer. These resources and more have now been built into a guidebook which is due to be shared with all students and staff as an online resource from September.
- 'Let's Talk' put the topic of Mental Health at the forefront of campaigns, with the World Mental Health Day video and the resources for Men's Mental Health Day being accessed by over 2000 students.
- Instigated by news coverage of the Sarah Everard case, the 'Choose to Challenge' campaign and associated consultation engaged over 50 students. The campaign related to safety and sexual violence and following the campaign the SU affiliated a 'Survivors Society' for students who have been affected and want to link in with others who may share similar experiences.

In addition to campaigns, the elected officer team also organised a range of digital projects and celebrations to help celebrate Edge Hill as an inclusive campus:

- Pride week took place in February with digital events planned and facilitated by the Vice President Welfare, the LGBTQ+ Voluntary Officer, and the Trans and Non-Binary Voluntary Officer. The days of the week each focused on different aspects relevant to Pride, culminating in a virtual celebratory experience, 'Queer House Party'. Over 70 students took part.

Trustees' Report (continued)
For the Year Ended 31 July 2021

Objectives and activities (continued)

- In term one, an issue of note for disabled students was brought to the Union by a student. The student raised the issue that the Wi-Fi available in accommodation is not currently acceptable for smart devices, many of which are essential for disabled students. The Vice President Welfare facilitated a meeting between the student and the University IT and inclusions teams, who were quick to respond and resolved the issue swiftly using a dedicated Wi-Fi point for the student. The IT team welcomed the issue being brought to their attention and moving forward they will supply and install voice-activated smart devices.

Objective - Celebrating Success at Edge Hill

Achievements

- The Students' Union successfully organised a virtual Student Led Staff Awards ceremony, attended by nominated staff and directorate, which received overwhelmingly positive feedback.

Virtual Student Led Staff Awards

Despite teaching disruption over the COVID-19 period, students still voted in large numbers for their staff heroes as part of the Student Led Staff Awards organised by Edge Hill Students' Union.

Key statistics from the award include

- A total of 364 students nominated a staff member for a Student Led Staff Award.
- Students within the Faculty of Education (comparative to Faculty size) to make a nomination for a staff member.
- The award which received the most nominations overall was 'Teaching Staff Hero.'

For the first time, the ceremony was held virtually, with pre-recorded speeches from the full-time elected officers, the voluntary officer team, Edge Hill University's Vice Chancellor John Cater, and Edge Hill University's Pro Vice Chancellor of Student Experience, Lynda Brady.

Feedback from the virtual event included:

- "I think the virtual ceremony worked really well and should replace an in-person event because it was easier to fit in amongst other commitments."
- "I was really excited, and it was so lovely to hear from the SU and other university staff during the ceremony."
- "A real privilege to be involved in such a well organised and inspiring event."
- "I am a both student and staff member at the university, it just meant that all the hard work over the past year trying to juggle both work and my studies was worth it! I am really honoured to have been nominated alone and to win was so unexpected!"
- "I was so proud to have my hard work acknowledged by the people that matter the most!"

Commercial Services

The Students' Union's food, beverage and hospitality outlets including SU Bar and Venue, Stone Willy's Kitchen, and Subway, were forced to close for the majority of the 20/21 academic year due to COVID-19 restrictions.

Trustees' Report (continued)
For the Year Ended 31 July 2021

Objectivites and activities (continued)

In between lockdown periods, the Students' Union did manage to successfully organise and trial:

- A limited capacity offering table service in SU Bar and Venue
- Click and Collect in Stone Willy's Kitchen, serving drinks, hot food, and snacks
- Click and Collect service in Subway

Future Plans

Whilst the Students' Union has been a well-run and financially stable organisation for many years, nothing could have prepared us for COVID-19 and the effects it had from March 2020 onwards.

The virus will undoubtedly affect our approach and services for the foreseeable future and certainly throughout the rest of 2021 and into 2022. Even as I write this, government policy, the Chancellor's next Budget and more importantly the Comprehensive Spending Review in October 2022, regulatory changes, and public health guidance is still not totally consistent. What the next six to twelve months brings us could be anybody's guess.

However, with all that flux going on around us, our priority will still be to sustain ourselves to be operational throughout the short, medium, and longer term. In the first instance, our priority will be to act as a safe and responsible employer, and in that sense, we have an opportunity before us to enhance what we do through cultural change in terms of both how we run as an organisation, and how we operate all our services for our students.

Working from home in addition to being operational across campus, using digital technology to communicate in a time-efficient manner, exploring student participatory models based on convenience and participation rather than bureaucracy is the "new normal" and that term will drive new innovations as we continue to improve. Doing what we've always done and how we've always done it will simply not be good enough nor achieve anything during or post-COVID 19.

I believe these changes will both help improve our relevance, credibility and reputation to our beneficiaries in addition to saving us precious resources in terms of time and money.

Specifically, we will be concentrating our efforts across these areas:

SMART (er) Student Voice

- We will seek to embed our new elected officer faculty structure right across the university by starting to develop new relationships within departments and programmes. Our intention is to better understand the needs and requirements of our students at the 'grass-roots' level in order to have more meaningful conversations internally with faculty leaders.
- We will be developing our customer relationship management (CRM) system and content management system (CMS) to communicate with our students in a much more specific way. Using a data sharing agreement that has been developed in partnership with the University, we will be segmenting our student body into dynamic and customised user groups, networks and listening forums to better inform our campaigns and representative positions to our stakeholders.
- As a result of the above, we will develop student networks based on our student demographic which will become our key groups with which to consult on student issues.
- We will also develop two new grants for our societies based on participation and development as once again we look to embed the value of getting involved in extra-curricular activity.

Trustees' Report (continued)
For the Year Ended 31 July 2021

- The Chief Executive will also continue over the course of the year his ongoing governance work in relation to the Charity Commission Governance Code principles, making recommendations for improvements to the Board as necessary.

Commercial Services

- In relation to our trading services, there is no doubt that COVID-19 provided the greatest challenge yet to our food, beverage, hospitality, and retail areas. All were affected in a major way. We will of course react to all the government, Public Health England, and university guidance that is laid out, but it does remain critical to our future sustainability as an organisation that we try to maintain a level of service and income.
- Demand for our services is unknown as we do not know how students will react and respond once back on campus or what they will be allowed to do. On that basis, we have spent the summer period evolving our service in several areas which has led us to now offer Subway delivery via Just Eat and a Click and Collect service for our Stone Willy's Outlet whilst also moving from a physical to an online retail operation. We have also invested in a new cloud-based EPOS system giving us greater scope to analyse customer data in addition to moving to cashless technology.
- Critically, our bar will be operating 'as normal'. Time will tell whether students continue to want this type of social experience (table service, QR code ordering).

Implementing our plans above must be remain flexible. We know that change is guaranteed and that both new opportunities and challenges will emerge. Agility is needed by the Students' Union if we are to respond to issues that we will have never had to before.

Financial review

EHSU's gross income from all sources this year was £1,180,952. Total expenditure of £1,189,564 spent on the wide-ranging student benefits we provide, as well as the modest fundraising and other revenue-generating activities we undertake, left a deficit for the year of £8,612.

EHSU has continued to benefit from the recognition and support of the University this year with an annual block grant received of £436,510 (2020: £453,097).

To understand the year's performance properly, it would be prudent to address this below.

The operating budgets for 2020/21 were compiled by each Manager in consultation with the Commercial Services Manager, the Finance Manager and the Chief Executive.

The key points considered in the budgets were:

- An 4% reduction in Block Grant (approx. £17k) due to reduction in EHU income.
- The exclusion of the 10% contribution to EH Sport as this was deducted at source in 2020/21.
- Restructure of commercial offering as the bar changed to a takeaway offer until January 2021 with weekly events either cancelled or reduced,
- Subway and Stone Willy's Kitchen staff utilised for click and collect/Just Eat deliveries.
- The Retail shop moved online with no Grab 'n' Go offering and space to be used to assist with social distancing measures.
- Advertising was to be solely digital with no physical Welcome Fairs
- Commercial income subsequently reduced from original 2020/21 budget (used for 2021/22 forecast):
 - August to December income was reduced by 66%.
 - January to July income reduced by 33%.

Trustees' Report (continued)
For the Year Ended 31 July 2021

- A focus was placed on Staff Training, Recognition and Wellbeing.
- Cost of Living salary increases postponed until end of Term 1 based on performance and backdated to 1 August 2020.
- Additions of a new Student Engagement Co-coordinator and HR Co-coordinator from postponed until February 21 from designated reserves as planned.
- Following a review of our Reserves Level £300k to support forecast 2020/21 deficit, Designated Reserves have been ring fenced for Capital (£6k), Staffing (£23.6k) and Staff Wellbeing (£3.9k) expenditure

Term One

We commenced 2020/21 with a forecast deficit of £294k. Term one began with caution as there was so much uncertainty still concerning COVID-19 and how the return of students would be undertaken by the University and cautious students themselves.

By September the original budgeted plan of operating a bar takeaway-only service made way for the allowed socially distanced bar set up involving 'the rule of six'. Likewise, in line with the ever-changing government guidelines for hospitality, a Click and Collect option was added to both Subway and Stone Willy's Kitchen.

The planned move from physical to online retail selling clothing and merchandise was well received.

We continued from the previous year with the government's COVID Job Retention Scheme (CJRS) with most staff initially back from full time Furlough or on Flexible Furlough. With the COVID restrictions in place income was restricted especially in the bar where the seated 'rule of six' with no admissions (no events), pool tables or Fresher's fair.

The annual assessment of the split of customers between student and non-student with regards to our catering partial exemption was conducted within Subway and Stone Willy's Kitchen, allowing us to continue to pay Vat on 2% of Stone Willy's income as opposed to 5%.

Along with the changes to services enforced by government restrictions came additional unforeseen costs and overheads. To enable the click and collect service in Stone Willy's Kitchen and to allow for social distancing measures, we had a window at the rear of the Stone Willy's kitchen converted to a serving hatch allowing for safe collection and no need to enter the building itself.

All commercial areas engaged in a plan of social distancing signage, hand sanitizing areas and screens on all serving points. Additional costs were also from setting up ordering apps for table service in the bar and Stone Willy's Kitchen and the additional part time staff costs to 'table serve' products.

In the Support, Advice and Engagement office spaces, fans for ventilation, designated new chairs for every member of staff and hand sanitizer stations were procured to keep staff safe and feeling confident in their environment.

Due to the restrictions in place and the growing COVID 19 concerns amongst students in the early months, the case for continuing a bar offering became increasingly difficult. The Government then introduced the 'Tier' system for lockdown severity and levels of restrictions from numbers, track and trace and even restrictions on closing times or curfews.

The impact on our student staff numbers was also a concern as the University had sought to have 'halls' or 'class groups' isolate at the first sign of symptoms and not just when there was a positive case. This meant we had staff missing shifts whenever someone in their halls had symptoms. If we had more than one staff member in a hall, then we ran the risk of student staff absence for a week minimum.

Trustees' Report (continued)
For the Year Ended 31 July 2021

This all influenced our decision in mid-November to close the bar at least until after Christmas. Stone Willy's Kitchen and Subway continued for a few weeks until December, whereupon the University started to offer an online teaching option for students meaning campus footfall significantly reduced. Despite the uncertainty of Term One, with the flexibility of our team and services and close managing of overheads across all departments, November ended with a YTD deficit of £14.1k against a forecast deficit of £85.4k, overall income levels £67.2k ahead of budget, gross profit 7% ahead of budget, overhead underspend of £21.7k, free reserves at this point were £369.7k with a liquidity ratio increasing to 4.8.

Term Two

With term two due to start on Monday 4th of January amid rising COVID cases, it was no surprise for the Prime Minister to announce a full national lockdown again from Wednesday 6th January 2021.

Based on this information, most students did not return to campus after the break and the resulting student numbers on campus meant that the launderette and online were the only commercial services to remain open. As a result, many commercial staff were placed on the furlough scheme, whilst a mix of support and engagement staff were placed on either full or flexible furlough.

Following the government guidance, and through updates via the University's COVID-19 working group, we assessed what this would mean for the Students' Union and our staff in the coming months. We began with reducing the hours of staff considered at high risk from contracting the virus, who were asked to work from home and then we decided to move to a skeleton staff structure again in the office spaces to minimize contact. Face to face advice appointments were moved to telephone appointments and remote workers were asked to develop a three-month work plan in conjunction with their line managers, in order to maintain service for the students.

With the commencement of this new stage of lockdown, the budget began to be reviewed monthly with a mix of actuals and reforecasts. From February all commercial income was removed until a reopening date was known for certain. We put a suspension in place on all non-essential spend and rationale had to be provided from any staff members looking to make any purchase, prior to placing orders. A complete halt was also placed on the purchase of capital equipment. We moved from monthly to daily cash flow analysis, taking a proactive approach to protect our strong cash balance.

By March, the government's slow path out of lockdown was developing and led to the decision not to re-open the bar, Subway or Stone Willy's Kitchen until September 2021 when the first term or normality would hopefully resume. Reopening these areas for Term Three, historically the quietest term, was not viable and the CJRS was extended until the end of September 2021 which supported our staff and business during this period.

By the close of March YTD we were up on original budget by £181.6k. At this point the ongoing budget review contained 8 months actuals and 4 months reforecast. The original year end forecast deficit of £294k had reduced to a deficit of £44.2k. The remaining months of the financial year were uneventful with the continued closure of commercial and utilization of CJRS. Stock losses grew as expected within the commercial areas and were reflected in the overhead lines within commercial whilst business interruption insurance sums of £20.9k were received.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Trustees' Report (continued)
For the Year Ended 31 July 2021

Reserves level

A robust reserves policy explains to stakeholders, such as students and the University, why the Union is holding a particular amount of reserves. It gives confidence that the Union's finances are being properly managed, and provides an indicator of future income requirements and overall sustainability.

Developing a reserves policy assists in:

- strategic planning, by considering how new projects/activities will be funded
- informing the budget process, by considering whether reserves need to be drawn down or built up
- informing the risk register, by identifying uncertainty in future income streams

The Union's aim, in line with Charity Commission CC19 guidance, is to maintain a policy on reserves which establishes a level of reserves that is right for our charity, is used to manage uncertainty, and if reserves are to be held to fund future purchases/activities, explains how and when reserves will be spent.

A risk-based target reserves level is set through the reserves policy to ensure the Union is able to continue with its objectives, and this is the level which 'general funds' should not fall below. If there is a shortfall then Trustees need to be aware of why this has happened, whether it is short or long term and what actions will be taken to bring the reserves back into line with target.

Where there are general funds available in excess of the target reserves level, and where there is a strategic rationale, these funds can be ring-fenced for a particular purpose by Trustees to be spent over the next few years. These funds then become referred to as 'designated funds'. Funds may be moved between purposes or new ones created, but the overall amount the Trustees have designated will not increase throughout the year. The overall amount can decrease if the Trustees feel it is appropriate to release funds back into unrestricted reserves should they feel it is no longer necessary to have them designated, for example if there were a shortfall in the target reserves level.

When calculating the amount of reserves to be held, the Trustees must consider the amount of unrestricted funds that are readily available. This is because spending some of these funds may adversely impact on the Union's ability to deliver its aims. Items that the Trustees should exclude from reserves are:

- Tangible fixed assets (used to carry out the Union's activities, such as commercial equipment)
- Intangible fixed assets and investments (held solely to further the Union's purpose, such as the Subway franchise and the trading subsidiary)
- Designated funds (set aside to meet future essential spending, such as depreciation of future assets, a commitment to staff wellbeing, expanding the student engagement service we offer)

The Union receives grant income from the University to spend on its charitable aims – the objects for which it is registered as a charity with the Charity Commission. The Union also receives income from trading activities carried out specifically to fulfil its charitable objectives. This is known as 'primary purpose' trading. The Union's exemption from paying corporation tax on this income is based on the proviso that this income is applied to its charitable purposes. It is therefore a presumption that Union income will be spent rather than retained. This places a requirement on Trustees to use the funds the Union receives or have good reasons for keeping funds back and not spending them. This is where a reserves policy and continual review of where the Union's reserves are in comparison to its target reserves level is crucial.

Trustees' Report (continued)
For the Year Ended 31 July 2021

With consideration to the current impact of COVID-19, we continue with our risk-based approach to reserves. We analyzed the main financial risks to the organization, which were deemed to be loss of block grant and loss of trading ('primary purpose') income. We scored each risk and identified the requirements to keep the risks to a minimum level. We determined that the main risk presented (in terms of risk assessment and requirement) is loss of trading income through a major incident, affecting Term 1 in particular.

What the Union experienced from COVID-19 was an estimated drop in trading income. Not all of this had to be funded immediately because swift cost reduction took place on non-essential expenditure, government finance schemes were utilized and cash was strong.

Should another major event occur nationwide then it wouldn't be unreasonable to assume there would once again be government support, but should a major event impact just the Union, then this is where there would be an immediate funding requirement which would need to come from reserves. On this basis and with the intention of future sustainability and continued activities, the Union will hold general reserves of £125k, in order to allow the Union time to take up opportunities to diversify income streams, buffer the cash flow requirements of essential expenditure and employee retention, and maintain sustainability.

The review of our level of reserves considered the effects on block grant, commercial contribution, breach of PCI DSS and HMRC retraction of catering VAT exemption on historical bar food income. There was increased uncertainty around the level of block grant we would receive and whether we would receive a block grant at all in 2020/21, as the University were, understandably, going through the same process as ourselves with regard to reforecasting. Loss of commercial income became a certainty but we were confident that our balance sheet and the measures we were putting into place in terms of minimal expenditure, would support us.

Both the block grant and commercial income were the focal point in our sensitivity analysis, where we analyzed potential changes to income and expenditure to assess what the financial impact could be and whether we could continue with our strategic aims. We took into account the effects of social distancing and receipt of additional grants from the CJRS.

When considering sustainability we also looked at solvency and liquidity ratios, in order to determine our ability to meet our debt obligations. Acceptable solvency ratios vary from industry to industry, but as a general rule of thumb, a solvency ratio of greater than 20% is considered financially healthy. Our YTD results produced a primary solvency ratio of 17% which was positive news with regards to our long-term financial health.

Looking at short-term financial health we reviewed our liquidity ratio, using the working capital ratio of using cash/cash equivalents, marketable securities and accounts receivables to cover liabilities with a maturity rate of one year or less. Again a general rule of thumb was applied, with a liquidity ratio under 1 indicating that a company's short-term debts are greater than its assets. Our YTD results produced a liquidity ratio of 7.9 meaning that for every £1 of current debt we had, we also had £7.90 available to pay for the debt. What was also positive news was that 94% of our current assets at this stage were either already cash, or were accounts receivables, which could be collected more quickly than stock, confirming we were in a strong liquid and solvent position.

Despite the exceptionally challenging second half of the year, the performance of the first half of the year, combined with cautionary spend and assistance from the CJRS in which we were able to access £268k of grant funding to enable the furlough and retention of our staff, we must still take success from the year. We closed the year £285k up on original budget.

Trustees' Report (continued)
For the Year Ended 31 July 2021

Free reserves at 31 July 2021 are therefore:

	£
• Unrestricted funds:	527,658
• Less Designated reserves:	(42,685)
• Less Investments (Franchise/Trading Co)	(100)
• Less Tangible Fixed Assets	(3,463)
• Less Reserves Target	(110,000)
• Free Reserves	£371,410

The Union's free reserves show sufficient funds to cover the agreed reserves target of £110k as defined within the reserves policy. This also confirms that there are sufficient funds as required to maintain the financial stability of the Students' Union moving forward. The excess of free reserves will be reviewed to determine whether short or long term, and if long term, a recommendation will be put forward to Trustees to designate additional funds against future spend (2021/22 onwards) in line with strategic objectives.

The reserves policy will be reviewed annually during the budget process, or sooner if deemed appropriate, in accordance with Charity Commission (CC19) guidance. The Union is committed to ensuring that the organization is run in a financially sustainable way.

Proactively managing the reserves target will be a valued contribution to achieving the delivery of the Union's objectives and benefits for its students, therefore the target will be reviewed on a monthly basis as part of the management accounts process.

Designated funds will be administered where appropriate to comply with accounting standards and to give the clearest information to stakeholders.

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 charity'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 charity's auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Sarah Ellis
Trustee
Date:



26/11/2021

Statement of Trustees' responsibilities
For the Year Ended 31 July 2021

The Trustees (who are also the directors of the charity 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 charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:

Sarah Ellis
Trustee
Date:



26/11/2021

Independent Auditors' Report to the Members of Edge Hill Students' Union Limited

Opinion

We have audited the financial statements of Edge Hill Students' Union Limited (the 'charity') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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 charitable company's affairs as at 31 July 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Independent Auditors' Report to the Members of Edge Hill Students' Union Limited (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 has 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 Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Independent Auditors' Report to the Members of Edge Hill Students' Union Limited (continued)

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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the financial reporting legislation, Companies Act 2006, Charities Act 2011, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Independent Auditors' Report to the Members of Edge Hill Students' Union Limited (continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Simon Hawkins (Senior Statutory Auditor)
for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

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

Date:

Edge Hill Students' Union Limited
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 July 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	720,555	221,970	942,525	826,531
Charitable activities	5	237,802	-	237,802	907,964
Other trading activities	6	270	-	270	7,802
Investments	7	355	-	355	1,881
Total income		958,982	221,970	1,180,952	1,744,178
Expenditure on:					
Raising funds	8	5,949	-	5,949	2,933
Charitable activities	9	961,645	221,970	1,183,615	1,613,405
Total expenditure		967,594	221,970	1,189,564	1,616,338
Net movement in funds		(8,612)	-	(8,612)	127,840
Reconciliation of funds:					
Total funds brought forward		536,270	-	536,270	408,430
Net movement in funds		(8,612)	-	(8,612)	127,840
Total funds carried forward		527,658	-	527,658	536,270

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 51 form part of these financial statements.

Edge Hill Students' Union Limited
(A Company Limited by Guarantee)

Registered Number: 07329036

Balance Sheet
As at 31 July 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	-	1,393
Tangible assets	15	3,463	25,681
Investments	16	100	100
		3,563	27,174
Current assets			
Stocks	17	36,856	44,022
Debtors	18	92,349	154,537
Cash at bank and in hand		471,285	469,484
		600,490	668,043
Creditors: amounts falling due within one year	19	(76,395)	(158,947)
Net current assets		524,095	509,096
Total assets less current liabilities		527,658	536,270
Total net assets		527,658	536,270
Charity funds			
Restricted funds	21	-	-
Unrestricted funds	21	527,658	536,270
Total funds		527,658	536,270

Balance Sheet (continued)
As at 31 July 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

Sarah Ellis
Trustee
Date:



26/11/2021

The notes on pages 28 to 51 form part of these financial statements.

Statement of Cash Flows
For the Year Ended 31 July 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	1,446	131,808
Cash flows from investing activities		
Dividends, interests and rents from investments	355	1,881
Purchase of tangible fixed assets	-	(22,283)
Net cash provided by/(used in) investing activities	355	(20,402)
Cash flows from financing activities		
Change in cash and cash equivalents in the year	1,801	111,406
Cash and cash equivalents at the beginning of the year	469,484	358,078
Cash and cash equivalents at the end of the year	471,285	469,484

The notes on pages 28 to 51 form part of these financial statements

Notes to the Financial Statements
For the Year Ended 31 July 2021

1. General information

The registered office is Edge Hill Students' Union, The Hub, St Helen's Road, Ormskirk, Lancashire, L39 4QP. The entity is a private company limited by guarantee, incorporated and registered in England and Wales.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Edge Hill Students' Union Limited 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.

2.2 Going concern

The accounts have been prepared on the assumption that the charitable company is able to carry on as a going concern which the directors and trustees consider appropriate. The charitable company has had confirmation from Edge Hill University that grant funding will remain in place for the foreseeable future.

2.3 Income

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

2.4 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.

Notes to the Financial Statements
For the Year Ended 31 July 2021

2. Accounting policies (continued)

2.4 Expenditure (continued)

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

Where costs cannot be directly allocated they are apportioned based on the proportion of direct costs and recognised in SOFA. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.8 Intangible assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Trademarks	- 20 % straight line
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Notes to the Financial Statements
For the Year Ended 31 July 2021

2. Accounting policies (continued)

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the following basis.

Depreciation is provided on the following basis:

Bar & Kitchen equipment	-	50% reducing balance and then written off in the 3rd year
Stone Willy's Kitchen Equipment-		50% reducing balance and then written off in the 3rd year
Shop equipment	-	50% reducing balance and then written off in the 3rd year
Subway shop equipment	-	50% reducing balance and then written off in 3rd year
Subway fixtures and fittings	-	50% reducing balance and then written off in 3rd year
Office equipment	-	50% reducing balance and then written off in 3rd year

2.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the 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 presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.11 Stocks and work in progress

Stocks and work in progress 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.

2.12 Debtors

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

Notes to the Financial Statements
For the Year Ended 31 July 2021

2. Accounting policies (continued)

2.13 Cash at bank and in hand

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

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity 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 in the Statement of Financial Activities as a finance cost.

2.15 Financial instruments

The charity 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.

2.16 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.17 Pensions

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

Notes to the Financial Statements
For the Year Ended 31 July 2021

2. Accounting policies (continued)

2.18 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 charity 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 charity 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.

Investment income, gains and losses are allocated to the appropriate fund.

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

Critical areas of judgment:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the property, plant and equipment and note 2.9 for the useful economic lives for each class of assets.

Clubs & Societies

The income and expenditure of EHSU Clubs & Societies has not been included in these financial statements, as they are not within the control of the charitable company. The charitable company holds funds as a custodian on behalf of the Clubs & Societies. Grants issued to clubs & societies by EHSU amounted to £Nil (2020: £664) in the year ended 31 July 2021. Of this they spent £Nil (2020: £372) and returned £Nil (2020: £292).

Amounts held by the Union on behalf of Clubs & Societies as at 31 July 2021 was £12,212 (2020: £14,877)

Notes to the Financial Statements
For the Year Ended 31 July 2021

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Edge Hill University - Core Grant	436,510	-	436,510
Service charge	-	75,440	75,440
Rental grant	-	146,530	146,530
Government grants	284,045	-	284,045
	<u>720,555</u>	<u>221,970</u>	<u>942,525</u>
	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Edge Hill University - Core Grant	453,097	-	453,097
Service charge	-	74,413	74,413
Rental grant	-	146,531	146,531
Coronavirus Job Retention Scheme	152,490	-	152,490
	<u>605,587</u>	<u>220,944</u>	<u>826,531</u>

EHSU furloughed certain staff under the government's Coronavirus Job Retention Scheme (CRJS). Total funding above of £284,045 (2020: £152,490) was received and relates to claims made in respect of the year. The trustees believe that this income should be reflected within the unrestricted funds.

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Commercial income	<u>237,802</u>	<u>237,802</u>

Notes to the Financial Statements
For the Year Ended 31 July 2021

5. Income from charitable activities (continued)

	Unrestricted funds 2020 £	Total funds 2020 £
Commercial income	907,964	907,964

Notes to the Financial Statements
For the Year Ended 31 July 2021

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Advertising	270	270

	Unrestricted funds 2020 £	Total funds 2020 £
Advertising	7,802	7,802

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest received	355	355

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest received	1,881	1,881

Notes to the Financial Statements
For the Year Ended 31 July 2021

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £
Fundraising trading expenses - wages and salaries	2,174	2,174
Fundraising trading expenses - NI	224	224
Fundraising trading expenses - pension costs	54	54
Allocated centrally incurred fundraising and governance costs	3,497	3,497
	5,949	5,949

Notes to the Financial Statements
For the Year Ended 31 July 2021

8. Expenditure on raising funds (continued)

Fundraising trading expenses (continued)

	Unrestricted funds 2020 £	Total funds 2020 £
Fundraising trading expense	127	127
Allocated centrally incurred fundraising and governance costs	2,806	2,806
	<u>2,933</u>	<u>2,933</u>

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Commercial activities	620,574	194,769	815,343
Student Voice	341,071	27,201	368,272
	<u>961,645</u>	<u>221,970</u>	<u>1,183,615</u>

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Commercial activities	1,003,793	193,740	1,197,533
Student Voice	388,671	27,201	415,872
	<u>1,392,464</u>	<u>220,941</u>	<u>1,613,405</u>

Notes to the Financial Statements
For the Year Ended 31 July 2021

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Commercial activities	446,480	368,863	815,343
Student Voice	195,423	172,849	368,272
	<u>641,903</u>	<u>541,712</u>	<u>1,183,615</u>

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Commercial activities	838,098	359,435	1,197,533
Student Voice	247,805	168,067	415,872
	<u>1,085,903</u>	<u>527,502</u>	<u>1,613,405</u>

Notes to the Financial Statements
For the Year Ended 31 July 2021

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	225,225	204,477
Depreciation	5,250	5,493
Rent	221,970	220,941
Staff development	1,179	1,915
Recruitment costs	4,384	4,144
Staff recognition	1,500	1,744
Office costs	1,745	2,266
Professional fees	5,093	7,974
Finance charges	650	3,510
Subscriptions & affiliations	21,653	27,453
Sundry expenses	16	32
Advertising and marketing	-	49
Irrecoverable VAT	16,015	25,085
Insurance	12,410	6,210
Designated reserves - Capital expenditure	4,318	2,475
Designated reserves - Staffing	7,116	-
Designated reserves - Staff wellbeing	5,938	3,220
Governance costs	7,250	10,514
	541,712	527,502

11. Auditors' remuneration

	2021 £	2020 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	7,100	7,250

Notes to the Financial Statements
For the Year Ended 31 July 2021

12. Staff costs

	2021 £	2020 £
Wages and salaries	663,484	674,056
Social security costs	49,475	44,272
Contribution to defined contribution pension schemes	9,162	11,604
	<u>722,121</u>	<u>729,932</u>

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

	2021 No.	2020 No.
Charitable activities	8	16
Trading	34	53
Support	7	6
	<u>49</u>	<u>75</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	1	1

The total amount of employee benefits received by key management personnel (consisting of salary, employers pension contributions and employer national insurance contributions) is £75,388 (2020: £75,096).

Notes to the Financial Statements
For the Year Ended 31 July 2021

13. Trustees' remuneration and expenses

During the year, one or more Trustees has been paid remuneration or has received other benefits from an employment with the charity. Trustee remuneration and other benefits was as follows:

		2021	2020
		£	£
Molly Smallwood	Remuneration	10,539	20,771
	Pension contributions paid	204	-
Ellie Pither	Remuneration	16,692	1,626
	Pension contributions paid	63	-
Callum Chambers	Remuneration	16,155	1,626
	Pension contributions paid	258	-
Kathryn Murphy	Remuneration	1,539	-
Georgia Whalley-Smith	Remuneration	1,211	-
Rhiannon Muise	Remuneration	1,539	-
Bethany Beaton	Remuneration	-	21,458
Molly Houghton	Remuneration	-	22,187
Kate Vickers	Remuneration	-	20,902

During the year ended 31 July 2021, expenses totalling £340 were reimbursed or paid directly to 3 Trustees (2020 - £2,082 to 4 trustees).

Notes to the Financial Statements
For the Year Ended 31 July 2021

14. Intangible assets

	Trademarks £
Cost	
At 1 August 2020	4,400
At 31 July 2021	4,400
Amortisation	
At 1 August 2020	3,007
Charge for the year	1,393
At 31 July 2021	4,400
Net book value	
At 31 July 2021	-
At 31 July 2020	1,393

Edge Hill Students' Union Limited
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 July 2021

15. Tangible fixed assets

	Bar & Kitchen Equip £	Stone Willy's Kitchen equip £	Shop equipment £	Subway & Shop Equip £	Subway F&F £	Office Equipment £	Total £
Cost or valuation							
At 1 August 2020 (Restated)	27,570	8,000	11,050	45,977	101,667	16,645	210,909
At 31 July 2021	27,570	8,000	11,050	45,977	101,667	16,645	210,909
Depreciation							
At 1 August 2020 (Restated)	23,272	2,334	9,522	37,572	101,461	11,067	185,228
Charge for the year	3,995	2,833	1,528	8,405	206	5,251	22,218
At 31 July 2021	27,267	5,167	11,050	45,977	101,667	16,318	207,446
Net book value							
At 31 July 2021	303	2,833	-	-	-	327	3,463
At 31 July 2020	4,298	5,666	1,528	8,405	206	5,578	25,681

Notes to the Financial Statements
For the Year Ended 31 July 2021

Tangible fixed assets (continued)

The balances at 1 August 2020 have been updated to reflect the accounting policies of the charitable company at that date. There has been no effect on the net book value of the tangible assets nor the surplus/deficit of the charitable company due to the restatement.

16. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2020	100
At 31 July 2021	100
Net book value	
At 31 July 2021	100
At 31 July 2020	100

Principal subsidiaries

The following was a subsidiary undertaking of the charity:

Name	Company number	Class of shares	Holding
Edge Hill Student's Union Trading Limited	08613438	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Net assets £
Edge Hill Student's Union Trading Limited	100

Edge Hill Students' Union Bar Limited was incorporated on 17 July 2013 and commenced trading on 19 September 2013 and is a wholly owned subsidiary of the Union.

On 22 May 2014 the company's name changed to Edge Hill Students' Union Trading Limited.

Notes to the Financial Statements
For the Year Ended 31 July 2021

16. Fixed asset investments (continued)

The subsidiary company number is 08613438 and registered address is The Hub, St Helens Road, Ormskirk, Lancashire, L39 4QP.

The company has been dormant during the whole of the reporting period.

17. Stocks

	2021 £	2020 £
Bar stock	11,256	7,780
Shop stock	24,533	32,622
Subway stock	847	2,720
Stone Willy's Kitchen stock	220	900
	<u>36,856</u>	<u>44,022</u>

18. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	7,696	3,221
Other debtors	71,773	135,475
Prepayments and accrued income	12,880	15,841
	<u>92,349</u>	<u>154,537</u>

19. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	46,332	129,598
Amounts owed to group undertakings	130	128
Other taxation and social security	18,995	12,630
Other creditors	2,080	8,085
Accruals and deferred income	8,858	8,506
	<u>76,395</u>	<u>158,947</u>

Notes to the Financial Statements
For the Year Ended 31 July 2021

20. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at amortised costs	79,469	120,772
	<u><u>79,469</u></u>	<u><u>120,772</u></u>
	2021 £	2020 £
Financial liabilities		
Financial liabilities measured at amortised cost	57,398	146,317
	<u><u>57,398</u></u>	<u><u>146,317</u></u>

Financial assets measured at amortised cost include trade and other debtors.

Financial liabilities measured at amortised cost include trade creditors, accruals, other creditors and amounts due to group companies.

Notes to the Financial Statements
For the Year Ended 31 July 2021

21. Statement of funds

Statement of funds - current year

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2021 £
Unrestricted funds					
Designated funds					
Capital	9,119	-	(4,318)	6,000	10,801
Staff	11,500	-	(7,116)	23,600	27,984
Wellbeing	3,770	-	(5,938)	6,068	3,900
	<u>24,389</u>	<u>-</u>	<u>(17,372)</u>	<u>35,668</u>	<u>42,685</u>
General funds					
Charity	<u>511,881</u>	<u>958,982</u>	<u>(950,222)</u>	<u>(35,668)</u>	<u>484,973</u>
Total Unrestricted funds	<u>536,270</u>	<u>958,982</u>	<u>(967,594)</u>	<u>-</u>	<u>527,658</u>
Restricted funds					
Rent grant - Union	<u>-</u>	<u>221,970</u>	<u>(221,970)</u>	<u>-</u>	<u>-</u>
Total of funds	<u><u>536,270</u></u>	<u><u>1,180,952</u></u>	<u><u>(1,189,564)</u></u>	<u><u>-</u></u>	<u><u>527,658</u></u>

Notes to the Financial Statements
For the Year Ended 31 July 2021

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2020 £
Unrestricted funds					
Designated funds					
Capital	-	-	(16,157)	25,276	9,119
Staff	-	-	(36,126)	47,626	11,500
Wellbeing	-	-	(3,298)	7,068	3,770
	-	-	(55,581)	79,970	24,389
General funds					
Charity	408,430	1,523,234	(1,339,813)	(79,970)	511,881
Total Unrestricted funds	408,430	1,523,234	(1,395,394)	-	536,270
Restricted funds					
Rent grant - Union	-	220,944	(220,944)	-	-
Total of funds	408,430	1,744,178	(1,616,338)	-	536,270

Designated funds

Trustees approved unrestricted funds of £79,970 to be ring-fenced at the start of the 2020-21 financial year. The purpose of this was to provide for future spend on equipment, staffing and staff wellbeing. At the end of the 2020-21 financial year there was an additional ringfencing of £35,500, in addition to an overspend of £2,168. At 31 July 2021, there was a balance of £42,685 to be carried over to 2021-22.

Rent grants

The Union receives funding from the University to pay for the space occupied in the University's buildings.

Notes to the Financial Statements
For the Year Ended 31 July 2021

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	3,463	3,463
Fixed asset investments	100	100
Current assets	600,490	600,490
Creditors due within one year	(76,395)	(76,395)
Total	527,658	527,658

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	25,681	25,681
Intangible fixed assets	1,393	1,393
Fixed asset investments	100	100
Current assets	668,043	668,043
Creditors due within one year	(158,947)	(158,947)
Total	536,270	536,270

Notes to the Financial Statements
For the Year Ended 31 July 2021

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

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(8,612)	127,840
Adjustments for:		
Depreciation charges	22,218	70,047
Amortisation charges	1,393	-
Dividends, interests and rents from investments	(355)	(1,881)
Loss on the sale of fixed assets	-	4,372
Decrease/(increase) in stocks	7,166	(2,557)
Decrease/(increase) in debtors	62,188	(122,681)
Increase/(decrease) in creditors	(82,552)	56,668
Net cash provided by operating activities	1,446	131,808

24. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	471,285	469,484
Total cash and cash equivalents	471,285	469,484

25. Analysis of changes in net debt

	At 1 August 2020 £	Cash flows £	At 31 July 2021 £
Cash at bank and in hand	469,484	1,801	471,285
	469,484	1,801	471,285

Notes to the Financial Statements
For the Year Ended 31 July 2021

26. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounts of £1,852 (2020 - £38) were payable to the fund at the balance sheet date and are included in creditors.

27. Operating lease commitments

At 31 July 2021 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	1,762	1,320
Later than 1 year and not later than 5 years	7,048	3,300
	<u>8,810</u>	<u>4,620</u>

28. Members' liability

The charitable company has no share capital as it is limited by guarantee.

The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member or within one year after they cease to be a member, for -

- a) payment of the charitable company's debt and liabilities contracted before they cease to be a member,
- b) payment of the costs, charges and expenses of winding up; and
- c) adjustment of the rights on the contributories among themselves.

29. Related party transactions

The Union is in receipt of a recurrent grant from Edge Hill University of £436,510 (2020: £453,097). The block grant receivable at the year end was £39,981 (2020: £nil).

In addition, the Union is in receipt of rental grants of £221,970 (2020: £220,944) for the University space occupied by the Union and its subsidiary, which this year also included service charges of £75,440 (2020: £74,413). The amount of rent grant receivable at the year end was £15,393 (2020: £91,973). The Union paid the University the equivalent amount for rent. Rent owing at the year end was £15,393 (2020: £91,973).

As at 31 July 2021, the amount owed by the Parent company to the Subsidiary company was £128 (2020: £128). The subsidiary was dormant throughout the period.

Edge Hill Students' Union

Year Ended 31 July 2021

Audit Clearance Memorandum

Prepared by

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

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Dains LLP
Suite 2 Albion House
2 Etruria Office Village
Forge Lane
Etruria
ST1 5RQ

telephone 01782 262121
email stoke@dains.com

The Board of Trustees
Edge Hill Students' Union
St Helens Road
Ormskirk
L39 4QP

2 November 2021

Our Ref: ED034/SH/AL

Dear Sirs

This Audit Clearance Memorandum has been prepared in order to highlight and record the most significant matters arising from our audit of the financial statements of Edge Hill Students' Union (the "charity") affecting the results of the charity for the year ended 31 July 2021. It is also used to allow us to meet the mandatory requirements of International Standard on Auditing (UK & Ireland) (ISAUK) 260.

We have discussed our report with Paul Malone and Toby West who confirm its factual accuracy, although the views expressed are those of Dains LLP. This memorandum is strictly confidential and although it has been made available to management to facilitate discussions, it may not be taken as altering our responsibilities to the charity arising under our audit engagement letter. The contents of this document should not be disclosed to third parties without our prior written consent. No responsibility is assumed to any other persons in respect of this report.

We would like to take this opportunity to thank Paul, Toby and other staff and trustees for the co-operation and assistance afforded to us during the course of our audit.

Yours faithfully

Simon Hawkins
Senior Statutory Auditor
shawkins@dains.com
For and on behalf of
Dains LLP

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1. Responsibilities, ethics & status of audit

1.1 Responsibilities of the Trustees

The trustees are responsible for the preparation of the financial statements and for making available to us all the information and explanations we consider necessary. Therefore, it is essential that the trustees confirm that our understanding of all the matters referred to in this document are appropriate, having regard to their knowledge of the particular circumstances.

We would point out that the matters dealt with in this report came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements of the charity.

In consequence, our work did not encompass a detailed review of all aspects of the system and controls and cannot be relied upon necessarily to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might develop.

We would be pleased to discuss any further work in this regard with the Board.

1.2 Audit position

Our audit work is substantially complete although we are currently finalising our work in the current areas:

- Specific discussion points as noted in section 3
- Signed letter of representation – proposed draft included in section 6
- October 21 VAT return

1.3 Proposed audit opinion

Subject to the items noted at 1.2 above, we anticipate issuing an unqualified opinion, without modification on the truth and fairness of information presented in the financial statements.

1.4 Independence

As part of our ongoing risk assessment and in accordance with International Standard on Auditing (UK and Ireland) 260 “Communication with those charged with governance”, we continually monitor our relationship with you. This is to ensure that there are no new significant actual or perceived threats identified since issuing our audit engagement summary that could impact on our independence as auditors that we wish to draw to your attention. We have complied with the Financial Reporting Council’s (FRC) Ethical Standards and therefore we confirm that we remain independent and are therefore able to express an objective opinion on the financial statements.

1.5 Audit efficiency and quality

In the conduct of our audit, we have not had to alter our audit plan, which we communicated to you in our planning meeting. During our audit, we have had the full co-operation of management and did not encounter any significant difficulties.

1.6 Fees

We confirm that our fees in respect of our audit services performed on the charity are consistent with those agreed.



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2. Significant risk areas

We adopted a risk-based approach to the audit of the financial statements. Our audit conclusions regarding the significant risks identified and communicated to you at the planning stage are as follows:

2.1 Revenue recognition

Risk

There is a rebuttable presumption that revenue recognition gives rise to a risk of material misstatement due to fraud, therefore revenue recognition is regarded as a significant risk on all audits.

Approach

We documented and evaluated the income processes within the charity to ensure that the capture of income data within the financial records is recorded as complete, accurate and within the correct period. These tests were a series of observations, enquiry and walk-through of the system. We tested the completeness of income from its first point to ensure that it is complete. We reviewed variances from budgets or predictions to actual results, where possible and relevant to ensure this corroborates with other evidence obtained and confirmations from management. Where necessary we have agreed contract/grant amounts with donors through a review of third party signed agreements.

Conclusion

No issues were identified from our audit testing in respect of revenue recognition which indicate that revenue is materially misstated.

2.2 Management Override

Risk

In all entities regardless of size, management are in a unique position to perpetrate fraud by overriding controls. It is therefore considered that there is a risk of misstatement due to fraud and therefore management override is a significant risk on all audits.

Approach

We reviewed accounting estimates, considered identified significant transactions outside the normal course of business and reviewed journals and other adjustments made during the preparation of the financial statements.

Conclusion

No issues were identified from our audit testing in this area which would indicate any material misstatement from management override.

3. Audit discussion points

3.1 Results for the year and current trading performance

Income:	Unrestricted Funds	Restricted Funds	Total 2021 Funds	Total 2020 Funds
	£	£	£	£
Donations and legacies	720,555	221,970	942,525	826,531
Charitable activities	237,802	-	237,802	907,964
Other trading activities	270	-	270	7,802
Investments	355	-	355	1,881
Total income	958,982	221,970	1,180,952	1,744,178
Expenditure on:				
Charitable activities	967,594	221,970	1,189,564	1,616,338
Total expenditure	967,594	221,970	1,189,564	1,616,338
Net (expenditure)/income	(8,612)	-	(8,612)	127,840

Income from charitable activities

- Donations and legacies income has increased by £115,994. This includes £436,510 (2020: £435,097) of core grant from the university, £146,530 (2020: £146,531) rental grant, £75,440 (2020: £74,413) service grant and £284,045 (2020: £152,490) of coronavirus job retention scheme. The increase has been driven by the Union's continued use of the furlough scheme.
- Charitable activities income has reduced by £670,162. This encompasses the Union's commercial income which has been heavily affected by Covid-19 during the period.

Expenditure on charitable activities

Expenditure has decreased by £426,774 during the year. This is line with the reduction in charitable activities during the year. The direct costs of these areas have reduced by £444,000 during the year (see note 9 of the financial statements)

Management to confirm the results are in line with expectations and discuss the current year performance of the Union.

Management Response

Management have confirmed the results for the year are in line with expectations. The trading services opened alongside the return of the students in the 3rd week of September and has started positively.

Positive talks have been held with the University and an uplift to the core block grant amount has been agreed.

3.2 Block Grant

During conversations with management, it was noted that the block grant is not finalised until the university has completed the audit of their financial statements.

Currently, block grant income totalling £436,150 (2020: £453,097) has been reflected within the financial statements.

Management to provide an update of the above and confirm whether any adjustment of the block grant donation is required.

Management Response

Management have confirmed that the block grant has been finalised and that no adjustment is required to the financial statements.

3.3 Fixed Asset depreciation and disposals

Per discussions with management, it is our understanding that all assets with a net book value of less than 15% of the original cost are fully written down to £nil.

In addition to this, it is our understanding that management class an asset as 'disposed' once it has been fully depreciated, regardless of whether or not the physical asset has been disposed of.

In order to match to the prior year financial statement a grossing up exercise is required (i.e. increase to the cost and depreciation brought forward of £79,705), from the charitable company's fixed asset register.

This has been discussed with management and it has been ascertained that the disclosure in previous years does not match the accounting policies of the charitable company. Therefore, the opening cost and depreciation will be matched to the charitable company's fixed asset register.

Management to discuss the above and confirm the treatment of depreciation and disposals going forward.

It was noted during testing that the fixed asset register categories did not agree to the financial statements. To maintain consistency between the fixed asset register and the financial statements, the categories have been aligned.

Management to confirm that the categories included within the financial statements are appropriate.

Management Response

Management have confirmed that they would like the prior period adjustment to be posted, as this will ensure that the financial statements are in line with the financial information presented to the board during the year.

Management have confirmed that the Fixed Asset categories are appropriate.

3.4 Stock provisions

As at the year end the charitable company had stock with a value of £36,856. A summary of this is as follows:

Category	£
Bar	10,997
Stone Willy's	220
Subway	847
Retail	24,533
	36,598

Discussions with management were held to ensure that no provisions are required in relation to the above.

It was noted that:

- All perishable stock had already been written off and none were held as part of the stock valuation.
- All bar items had a long shelf life and were considered saleable once the bar opened.
- Any date sensitive items (i.e Graduation 2020 T-Shirts) were considered saleable as former students would still purchase these a significant period after they had graduated.

The audit revealed that the union had stock of tobacco. At year end, this had a value of circa £1,400. Due to the physical shop being closed, online portals have been utilised to make sales instead. A decision was made to not sell tobacco online as this could give a negative reputation to the students' union. Discussions held with management revealed that they are planning to sell these to another student union or business soon, however this would need to be at a discounted price.

Management to discuss the above and confirm if a stock provision is required within the financial statements.

Management Response

Management have confirmed that no stock provision is required within the financial statements.

3.5 Stock Pricing

During the audit we were unable obtain sales data on the following stock items.

- JSW PF Burgundy Hoodie S
- EHU Reusable Coffee Cup

Management to confirm that at the year end, it is appropriate to assume that the realisable value of these stock items is greater than or equal to their original cost.

Management Response

Management have confirmed that they believe the items above will sell for greater than their cost.

3.6 Edge Hill Students' Union Trading Limited

Management to confirm that no trade has occurred within Edge Hill Students Union Trading Limited and that dormant accounts are to be prepared.

Management Response

Management have confirmed that Edge Hill Students Union Trading Limited is dormant for the year ended 31 July 2021.

3.7 Commitments, contingencies and provisions

Management to confirm that there are no further commitments, contingencies or provisions which require disclosure in the financial statements, other than those currently disclosed in the financial statements.

Management Response

Management have confirmed that there are no further commitments, contingencies and provisions that require disclosing within the financial statements.

3.8 Related parties

Management to confirm that the related party disclosure in the financial statements is complete and they are not aware of any further related party matters that require disclosure in the financial statements.

Management Response

Management have confirmed that all related party transactions have been disclosed within the financial statements.

3.9 Post balance sheet events

Management to confirm that there are no further post balance sheet events that require disclosing in the financial statements.

Management Response

Management have confirmed that there are no post balance sheet events that require disclosing within the financial statements.

4. Summary of adjustments

The Board should review the level of adjustments identified and obtain explanations for any adjustments which may remain unadjusted.

The following adjustments have been processed during the course of our audit of the financial statements.

Deficit per client's trial balance		(8,610)
Audit adjustments		
Correction of Opening balances		(2)
Deficit per draft financial statements		(8,612)

The following are proposed adjustments we would like to bring to management's attention.

Management to confirm whether any of the below proposed adjustments should be processed in the financial statements.

Deficit per draft financial statements	(8,612)
Additional Accruals	(1,260)
Revised deficit per proposed financial statements	(9,872)

5. Internal controls issues

The charity's management is responsible for the identification, assessment, management and monitoring of risk, for developing, operating and monitoring the system of internal control and for providing assurance to the Board that it has done so.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to the charity.

In consequence, our work cannot be relied upon necessarily to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might develop.

We would be pleased to discuss any further work in this regard with the Board.

Our testing to date has identified the following significant control weaknesses which we consider should be brought to the Board's attention.

We have a system of grading our control weaknesses. Each weakness is graded based on the potential risk level to the charity: -

High	The charity is subject to levels of fundamental risk or inefficiency where immediate action should be taken to implement an agreed action plan;
Medium	Attention should be given to resolving the position as the charity may be subject to significant risks or inefficiency;
Low	Desirable improvements could be made to improve the control framework or strengthen the ability to mitigate against risks and improve efficiency;
Best Practice	Point brought to the attention of management as best practice only and the issue raised does not impact on the overall control environment.

Current Year Points

Risk Rating	Weakness	Risk	Recommendation	Management Response
Medium	Right to work in the UK It was noted that for a sample of employees, identification documentation could not be obtained to show that they have the right to work within the UK.	Employees could be hired that do not have the right to work within the UK, potentially attracting fines.	Sufficient identification documents should be maintained for all employees within their personnel files.	Management noted and confirmed that they are in the process of recruiting a Human Resources manager to develop this area.
Medium	VAT Return Submissions It was noted that during the year a VAT return was submitted and therefore paid late.	This could lead to penalties charged by HMRC.	VAT returns should be submitted and paid within 1 month and 7 days from the VAT return date.	Management noted and will ensure deadlines are met in the future.
Low	Disposal of Assets Assets that have been fully depreciated are shown as 'disposed' on Xero.	The cost and accumulated depreciation figures within the financial statement are not accurate.	Items should only be shown as disposed when the asset is physically sold/scrapped.	Management noted and have implemented a new policy from 1 August 2021.

6 Proposed letter of representation

To be printed on Charity letterhead

Dains LLP
Suite 2 Albion House
2 Etruria Office Village
Forge Lane
Etruria
ST1 5RQ

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Edge Hill Students' Union ("the charity") for the year ended 31 July 2021.

- 1 We acknowledge as trustees our responsibility under the Charities Act 2011 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
- 2 We confirm that all accounting records have been made available to you for the purpose of your audit and that all the transactions undertaken by the charity have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and trustee' meetings, and all correspondence with The Charity Commission have been made available to you.
- 3 We confirm that the charity has no liabilities, contingent liabilities or guarantees given to third parties other than those disclosed in the financial statements.
- 4 We confirm that there have been no events since the balance sheet date which require disclosing or which would materially affect the amounts in the financial statements, other than those already disclosed or included in the financial statements.
- 5 We confirm that the charity has had, at no time during the year, any arrangement, transaction or agreement to provide credit facilities (including loans, quasi-loans or credit transactions) for trustees, nor to guarantee or provide security for such matters, except as disclosed in the notes to the financial statements.
- 6 We confirm that significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- 7 We confirm that we are aware that a related party of the charity is a person or organisation which either (directly or indirectly) controls, has joint control of, or significantly influences the charity or vice versa and as a result will include: trustees and members (as a guide with more than 20% of the voting rights), trustees, other key management, close family and other business interests of the previous. We confirm that the related party transactions set out in the notes to the financial statements are a complete list of such relationships and transactions and that we are aware of no further related parties or transactions.
- 8 We confirm that all related party relationships and transactions have been accounted for and disclosed in accordance with the UK Generally Accepted Accounting Practices.

- 9 We confirm that the charity has not contracted for any capital expenditure other than as disclosed in the financial statements.
- 10 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- 11 We confirm that there are no laws or regulations that are central to the charity/group's ability to conduct its business.
- 12 We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect fraud. We confirm that we have disclosed to you the results of our own risk assessment that the financial statements may be misstated as a result of fraud.
- 13 We confirm that there have been no actual or suspected instances of fraud involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements.
- 14 We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.
- 15 We confirm that in our opinion the charity's financial statements should be prepared on the going concern basis on the grounds that the current and future sources of funding or support will be more than adequate for the charity/group's needs for a period of at least 12 months from the date of approval of the financial statements. We believe that no further disclosures relating to the charity's ability to continue as a going concern need to be made in the financial statements.
- 16 We confirm that we approve the adjusted items totalling £2 as detailed in the attached appendix.
- 17 We confirm that we are aware of the unadjusted misstatements totalling £1,260 as detailed in the attached appendix, that have been identified in respect of these financial statements and that in our opinion these are immaterial both individually and in total.
- 18 The financial statements are free of material misstatements, including omissions.
- 19 We have no plans or intentions that may materially alter the carrying amount or classification of assets and liabilities reflected in the Annual Report.
- 20 We have no plans to abandon product lines or other plans or intentions that will result in any excess or obsolete inventories.
- 21 No inventories are measured at values exceeding the expected net realisable value.
- 22 The charity has satisfactory title to all assets and there are no liens or encumbrances on the charity's assets, except for those that are disclosed in the notes to the financial statements.
- 23 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.
- 24 In particular, we confirm the following:
 - All employees exist and have the right to work within the UK.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and expertise (and, where appropriate, of supporting documentation) sufficient to satisfy ourselves that we can properly make these representations to you and that to the best of our knowledge and belief they accurately reflect the representations made to you by the trustees during the course of your audit.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

Signed on behalf of the board of trustees by:

Sarah Ellis
Trustee

A handwritten signature in black ink, appearing to read 'S Ellis'.

Date:

26/11/2021

7 Appendix A -Spring News