

Registered number: 12714026
Charity number: 1191269

The Union, MMU

Trustees' Report and Financial Statements

For the Period Ended 31 July 2021



The Union, MMU
(A Company Limited by Guarantee)

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The Union, MMU
(A Company Limited by Guarantee)

Reference and Administrative Details of the Company, its Trustees and Advisers
For the Period Ended 31 July 2021

Trustees	S Campbell (appointed 2 July 2020) C Catron (appointed 20 July 2020, resigned 1 July 2021) J Coe (appointed 2 July 2020) A Delap (appointed 2 July 2020, resigned 28 January 2021) L Follon (appointed 2 July 2020, resigned 20 July 2020) A Gomez (appointed 20 July 2020, resigned 30 June 2021) A Harmon (appointed 2 July 2020, resigned 20 July 2020) L Jones (appointed 1 July 2021) J Killick (appointed 2 July 2020) H Maryam (appointed 1 July 2021) S Middleton (appointed 20 July 2020, resigned 30 June 2021) P Orton (appointed 1 July 2021) F Robertson-Barnett (appointed 20 July 2020) M Robinson (appointed 2 July 2020, resigned 20 July 2020) M Searle (appointed 2 July 2020, resigned 23 August 2021) Z Sutton (appointed 1 July 2021) E Sweeney (appointed 2 July 2020, resigned 30 June 2021) A Welsh (appointed 2 July 2020, resigned 20 July 2020)
Company registered number	12714026
Charity registered number	1191269
Registered office	21 Higher Cambridge Street Manchester M15 6AD
Chief executive officer	Matt Robinson
Senior leadership team	Matt Robinson, Chief Executive Officer Paul Norman, Head of Membership Development Stephanie Taylor-Wren, Head of Insight Louise White, Head of Finance & Performance Lesley Edwards, Head of People Jo Stafford, Head of Marketing and Communications
Independent auditors	Dains LLP Statutory Auditor Chartered Accountants Suite 2, Albion House 2 Etruria Office Village Forge Lane Stoke on Trent Staffordshire ST1 5RQ

The Union, MMU
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Trustees' Report
For the Period Ended 31 July 2021

The Trustees present their annual report together with the audited financial statements of the Company for the period 2 July 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 group and the Company qualify as small under section 383 of the Companies Act 2006, the Group Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The charitable company was incorporated on 2 July 2020, and on 15 September 2020 received the assets and liabilities of its predecessor charity, The Manchester Metropolitan University Students' Union for nil consideration and commenced to operate. These financial statements show the performance of the charitable company for the 10 1/2 months ending 31 July 2021.

Objectives and activities

a. Policies and objectives

The Union's articles of association identify its charitable objectives as the advancement of education of students at Manchester Metropolitan University for the public benefit by:

- Providing opportunities for the expression of student opinion and actively representing the interests of Students;
- Acting as a channel of communication in dealing with The Manchester Metropolitan University and other external bodies;
- Promoting the welfare of Students at The Manchester Metropolitan University;
- Facilitating the social, recreational, political and educational interests of its Members, through providing services and support for its Members; and
- Working with other students' unions and affiliated bodies.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The Union's vision is to support every student at Manchester Metropolitan University in achieving their personal goals and ambitions. The Union's rolling strategy operates across three pillars of student experience:

- Everyday Life: Helping students remove non-academic barriers to learning
- Learning: Supporting students to improve their confidence, skills, and academic outcomes
- Belonging: Ensuring students form social connections and support networks

The strategy details five areas The Union has chosen to focus resources on to deliver its vision:

1. Increasing Inclusivity and Participation
2. Responding to the needs of our members
3. Making change
4. Personal Growth
5. Delivering excellent services

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

The Union MMU exists to represent all students at Manchester Metropolitan University. It strives to ensure that the needs and views of students are at the heart of everything the University does, and provides a wide range of services, activities, and opportunities to offer the best possible student experience for all our members. The Union employs a core team of career staff and a flexible cohort of part time student staff and volunteers to assist the Trustee Board in its mission, all of whom are dedicated to helping The Union succeed. Pandemic restrictions significantly impacted the numbers of students permitted on campus at most points in the year. The Union delivered a combination of face-to-face service for students on campus, and a digital response to reach students studying from home. The Union's work is organised into four sub brands of Voice, Advice, Space and Opportunities.

Your Voice

We engage in a variety of activity that ensures students have a strong voice in the University, the Union, and local community in Manchester. Students annually elect five Union officers who sit on all major decision-making committees of the University, and local community partnerships. All these meetings and committees were maintained during the pandemic, although most were placed online.

The law and rules concerning what was and was not allowed to take place on campus changed at pace in year. We are grateful to colleagues in Manchester Metropolitan University for further widening the formal and informal channels available to the Union to voice the needs and views of students' during the pandemic, deepening the already strong relationship between the Union and University and ensuring student voice was influencing every level of University decision making.

Our five student officers became adept at digital lobbying and influencing and ensured student voice was heard at every level of university decision making. The Union consulted members on major decisions via social media, online focus groups, survey, and open pulse surveys. It used its media channels to inform students of changes as they occurred, and to amplify the safety and academic messages delivered by the university.

In March, COVID restrictions meant we had to adapt to a digital only approach to our annual officer elections. The Union provided new digital spaces for students to hear from candidates, and to scrutinise their promises. The digital only experience did not diminish the interest of students, with all five posts contested and a turnout of 4,322 (2020: 3,273.)

The Union Course Representative structure empowers student representatives to work with academics to improve the course experience for themselves and peers. Course representatives were elected in year, and the voice team worked hard to reach out and support them in their roles. This included online training, contact calls and encouragement to use the pulse survey to report issues and provide feedback on the impact of changes in real time.

The Union uses its Research and Insight capability to maintain a current understanding of its membership, including an annual membership survey, induction survey and detailed segmentation modelling. It invested in the team in year, recruiting two alumni via the q-step program operated by the university. The department carries out in-house research projects, analysis of existing student data, social policy review and dissemination of student insight to staff and volunteers of The Union and the University ensure that nobody knows its members better.

Advice

The Union provides a specialist advice service to help our students with practical issues they might face whilst at University. The main areas are financial, academic issues and housing. They also provide representation at meetings such as disciplinary action and benefit tribunals. The Advice Centre holds an Advice Quality Standard (AQS) award to confirm the advisers work to professional standards and provide a high-quality service to students.

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

Objectives and activities (continued)

During the 2020/21 academic year, the Advice Centre remained an online service, offering their service via email, phone, and face to face over video call. It helped with over 10,000 queries and supported over 3,000 individual students across a wide range of subjects including housing, finance, and academic issues. It continued to operate as a hate crime reporting centre, albeit remotely.

The Advice team continue to offer tailored housing advice to students; provide expert feedback on changes in university policy in year and were able to support the SU Officers with their voice work by meeting regularly to discuss common matters arising for students.

The Advice Centre has helped students to gain an additional £1.45 million in the last three years through correcting Student Finance applications, appealing funding decisions or helping them apply for Compelling Personal Reasons (repeat student) funding. This is in addition to supporting students access the university and union hardship funds.

Your Space

Our Manchester home in 21 Higher Cambridge Street has some fantastic spaces for our members. Facilities include a multi-functional hall space; large conference rooms; balcony space; 5 meeting rooms; a mirrored studio space; digital and radio media suite; quiet study space; and plenty of break out areas for students to use as they want. Unfortunately, social distancing and restrictions on campus meant that most of the physical spaces were off limits to students for much of the year. Our experience of lockdown in the previous year meant we were ready to support students digitally. Meeting rooms were replaced with Zoom and later Teams' rooms, social contact was replaced with a series of online events and activity including virtual festivals, break out rooms, quizzes, speaker tour and more. The Union maintained an online entertainments program for the entire year, to help combat loneliness and motivate students through the various periods of lockdown.

Union space in Manchester includes opportunities for mutual trading during term time, and wider conferencing and events out of term time. In normal service The Union: operate food and beverage service in the main building in Manchester and a retail outlet; provide ad hoc media sales activity; run a public house; and operate conferencing in its spaces outside of term time. As well as supporting the social activity of The Union, our commercial activity generates funds for charitable use. Pandemic restrictions on Universities significantly reduced footfall on campus and restricted the types of operation The Union could deliver. Whenever the law allowed, we maintained a level of physical presence for student in our retail and café outlets. This was particularly important when students on practical courses returned to campus in early spring after a long period of online learning.

The lack of opportunity for face-to-face communication with students shifted most communication to digital only. With limited channels and bandwidth, The Union adapted its communication strategy to ensure students were not flooded with disparate communication and were able to get the information they required. We stripped back our web site to ensure essential information was available, and improved use of social media such as Instagram to deliver messages in engaging ways. This will be retained moving forward.

Learning from the previous year we were able to deliver digital alternatives to traditional celebrations including our much loved Teaching Awards and our societies and sports awards.

Your Opportunities

The Union provides a range of student led activities for members to try out, join and enjoy. These include Clubs, Societies, and charity fundraising and volunteering. The Union staff team supports course representatives, campaigners, volunteers, student captains, society chairs and their respective committee members.

As well as connecting students to opportunities via our volunteering brokerage service, the Union organised and ran its own events online through the year. We opened our social media channels to local charities to enable them to recruit students to projects and events during periods of lockdown.

The Union, MMU
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Trustees' Report (continued)
For the Period Ended 31 July 2021

Objectives and activities (continued)

The Union invested in new technologies and platforms for members including maintaining zoom accounts for clubs and societies and a new digital platform for delivery of virtual events and activity. Regular meetings were held with club and society committees and key volunteers to maintain enthusiasm and sense of belonging. Some societies will cease because they were unable to recruit new committee members during the pandemic, and we are confident that we can help them build back in 2021.

Contribution to The Union by volunteers

Thousands of our members give their time on a voluntary basis to contribute to The Union through their leadership activities in Societies, clubs, volunteering, course representation and committee membership.

- Students form the committees of The Union that direct activity and address the needs of specific student communities.
- Course representatives work to promote the views and interests of their peers to the University.
- Society and Sport committee members organise activities for other students and ensure the Union remains vibrant and deliver a diverse range of accessible activities for students
- Volunteers donate their time and energy to support charitable activity across Manchester and Cheshire, brokered by The Union.

Despite the lack of face-to-face activity students continued to volunteer to support the union's work in year. There were some difficulties in recruitment of committee members for next year, and we are confident we will be able to support recruitment in 2021/22 as we return to campus.

d. Main activities undertaken to further the Company's purposes for the public benefit

1. Representing student interests
2. Communicating on student behalf with external bodies
3. Promoting student welfare at Manchester Metropolitan University
4. Facilitating social, recreational, political, and educational interests of members through services and support for members
5. Working with other students' unions and affiliated bodies

Achievements and performance

a. Key performance indicators

The trustees consider that the key financial performance indicators are total incoming resources of £3,223,684 and net expenditure of £7,490,712. The financial performance in the period was affected by the donation of net liabilities from the predecessor charity totalling £4,978,241. The Union has unrestricted funds excluding pension liability of £1,478,278.

b. Review of activities and achievements

Goal 1: Increasing Inclusivity and Participation.

Our aim is to enable more of our students to feel that "the Union is for people like me." Whilst participation in activities such as clubs & societies, volunteering, course representatives and elections is significant, we continually seek greater inclusivity from our membership.

Successes in 2020/21

The Union delivers year-round inclusivity events, ensuring that The Union supports and celebrates all major annual events related to the lives and interests of our broad membership. This ranges from simple reference to religious holidays via our communications channels, right up to more focussed campaigns linked to days of action. We have maintained this through our digital channels. The Inclusivity calendar provides a baseline of activity. Where possible this is developed further by working with interested groups of students.

Reflecting on the impact of the murder of George Floyd on our students, The Union made a particular series of commitments to ensure that students of colour recognise themselves in the Union and its activity. Commitments included addressing the lack of diversity of the Unions staffing and the support provided to staff of colour; ensuring all staff can have good conversations about race with members and colleagues. Action taken in year included:

- In addition to the already established BAME ambassadors program the Union supported the creation of a new Black Students group in response to the Black Lives Matter movement.
- Published a series of informative and educational articles written by BAME ambassadors alongside a new BAME student podcast
- The Union provided every member of career staff with a two-day race equity training course
- We ensured all staff involved in recruitment undertook an unconscious bias training ahead of recruitment
- We provided Islamophobia training for staff

The Union is developing its first race equity action plan to ensure continuity of action to address structural racism in subsequent years.

The Union was especially pleased to be invited in year to develop additional representation and social provision for International students at the University. Funding was provided to support a small staffing team to facilitate activity and international student voice on campus, as well as internationalising the student experience of our home students. Much early activity has been online, and we look forward to more face-to-face activity as we welcome international students and home students back to campus in the forthcoming academic year.

Achievements and performance (continued)

Goal 2: Personal Growth

The Union's educational purpose extends to the development of persons, as well as intellect. Student employment, fundraising, committee membership, campaigning and volunteering opportunities are vehicles that help students develop confidence and new skills. We focus on increasing the support and training we provide as well as widening the range of opportunities to allow more members to benefit from personal development.

Successes in 2020/21

Our strategy supports students to grow and develop in a way that is meaningful to them through a wide range of supported opportunities. Our activity broadly fits under the umbrellas of membership of Clubs and Societies, Student leadership, Volunteering, and student employment.

Pandemic restrictions prevented more traditional activity of student groups including organisation of student led trips, tours, and events. However, it did not prevent the Union from providing online training and development meetings for all interested members. The Union ran a series of pilot leadership course online aimed at helping volunteers, course reps and committee members to build their leadership skills and abilities. The online training informed the development of a brand-new set of Lead volunteer training modules to be delivered face to face from September 2021. The training will support the development of volunteers in the Union; allow them to deliver a quality experience for the students they support; help them reflect on the skills, knowledge and experience their volunteering has provided; support them in articulating their development to future employers.

The Union employs students in delivery of all its services. The Union continues to preference employment of students in as many roles across its operation as possible, including supervisory and project manager roles. As well as providing work experience, students are given development opportunities that include becoming a licence holder, accredited barista training, first aid training, fire marshal training and catering qualifications. This year the Union worked closely with graduate employment colleagues in the University to create our inaugural graduate placement scheme in the Union. We placed six underemployed alumni in positions across our marketing, student Voice and opportunities departments. All our graduate recruits were provided with a ten-module early career training program to support their time with The Union and set them up for future graduate level employment when they leave The Union.

Goal 3: Making Change and Goal 4: Responding to the needs of our members.

We support students to change their individual and group circumstances through direct representation and empowering students to campaign and act on their own behalf. Our representation and advocacy are effective, and we have focussed on strengthening the way we identify and tackle student issues to widen our reach and influence.

Successes in 2020/21

Elected Officers represent students at every level of decision making in the University. As well as the sabbatical officer representation, students register and are trained as volunteer course representatives. Working with academic colleagues and supported by staff in The Union, the course representatives advocate for continuous improvement at a course level.

The Union maintained its 'pulse survey' mechanism created in the first lockdown to ensure it was in touch with student sentiment during the continuation of the pandemic. Staff were redeployed across the union produce weekly student voice reports detailing current student concerns and issues.

Working closely with the University, we were able to secure agreement on a variety of student support:

- The provision of a second 'no detriment policy' as a safety net to ensure no student was worse off because of changes to learning delivery and examination.
- A commitment that no student would be charged rent by the university during a time where the law

Achievements and performance (continued)

- requires them to not be on campus
- A broadening of the eligibility criteria for hardship funding during the pandemic.
- Support packages for students in isolation due to COVID-19

The exceptional efforts made by representatives to achieve positive change for students during the pandemic, were sadly not reflected in the National Student Survey results. The Union fell 2 percent behind the national average for question 26. This is a reminder that there is still much work to be done to close the loop and make visible the actions we have taken or changes we have made because of our members' feedback and inputs. This will be a major focus of activity in 2021/22.

Goal 5: Delivering Excellent Services

Our strategy is to provide vibrant and sector-recognised services for our members whilst generating funds to reinvest in their student experience. Our services are often the way in which students first interact with The Union. We must ensure that we offer the highest-quality customer service and experience whilst also making them aware of the range of opportunities that we offer our members.

Successes in 2020/21

Achieving or retaining awards and accreditations are shorthand ways to demonstrate quality in our services. This year we achieved the following accreditations:

- Retained Best Bar Non-Gold award, promoting responsible management and operation of alcohol licensed premises
- Retained 'Green Impact Students' Unions accreditation
- Reaccredited with the Responsible Futures Award

Much service was delivered digitally in year. Where possible we delivered face to face services for areas of need for students including provision of course essentials through socially distanced retail offering and maintaining some café takeaway service for students who study in adjoining buildings. Our student advice service continued to be delivered online with no diminishment in numbers of students accessing the service.

c. Fundraising activities and income generation

All incoming resources are recognised in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income and the amount can be quantified with reasonable certainty. The Union gratefully recognises the income received in the form of grants from the University and various sources of fundraising income as detailed in the notes to these accounts.

The Union is also grateful for access to the government furlough scheme. This allowed us to maintain a good level of service for students and provided a staffing lifeline for a year of significantly reduced mutual trading income.

d. Investment policy and performance

The trustees are mindful of their obligations to seek to protect the long-term value of the assets they administer, whilst maximising income. To this end, the trustees have a policy of placing cash in a combination of current and deposit accounts to meet the working capital requirements of the Union whilst maximising interest returns.

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

Financial review

a. Going concern and principal risks and uncertainties

The Charity has net liabilities at 31 July 2021 of £4,267,029 due to the recognition under Charities SORP (FRS 102) of the net present value of the funding deficit on the SUSS pension recovery plan.

Whilst this liability is significant, the SUSS pension is not an immediate liability. This long-term commitment ends in 2035. The trustees are confident that annual payments towards this plan will be met out of income for the year.

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

b. Reserves policy

General reserves stand at a deficit of £4,267,029 due to the pension funding liability. Unrestricted funds excluding the pension liability stand at positive £1,238,278 while £240,000 has been designated for building development in 2020/21 to improve student experience and service offer. The aim of the reserves policy is to maintain a level of unrestricted general funds, which are not designated and excluding tangible fixed assets, which will enable The Union to continue for at least a three-month period.

c. Principal funding

The Union's funding comes principally from grants and various sources of fund-raising income as detailed in notes to these accounts.

Structure, governance and management

a. Constitution

The Union, MMU is registered as a charitable company limited by guarantee and was set up by a Trust deed.

The principal object of the Students' Union remains the advancement of the education of students at Manchester Metropolitan University for public benefit.

The Students' Union's governing document is its constitution comprising the articles of association and byelaws. Any amendment to the articles of association being subject to the approval of company law members and, for major changes, a referendum of students and only valid once approved by the University Board of Governors.

This is the first set of accounts for the new charitable company entity. The former unincorporated union entity transferred all assets and liabilities to the new charitable company structure on 15 September 2020 following agreement by the University and in line with the powers contained in its respective constitution.

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The Board of Trustees is responsible for the governance and financial and strategic management of the Students' Union. The board is comprised of the five Students' Union Officers and up to six independent Trustees. The full members of the Students' Union elect the Students' Union officers each year, through a secret cross campus ballot. Officers serve in office for one year and may stand for election for a maximum term of two years.

An appointments committee, following a process of open advertisement and application, nominates the independent Trustees for a term of office of up to three years or reappointment for a second term. Appointments are subject to the approval of the whole Trustee Board by a simple majority of those present and voting. A subcommittee of the Trustee Board selects the external Trustees based on their skills, knowledge, experience, and characteristics, considering the current composition of the Board. Independent trustees bring their professional experience to the board.

c. Policies adopted for the induction and training of Trustees

Upon appointment, all trustees receive an induction, which includes their legal obligations and other trustee responsibilities, and is adapted according to their prior knowledge and experience. The Students' Union Officers receive a more in-depth induction and training programme incorporating their responsibilities as a trustee and the skills and knowledge required to perform their other duties in addition to their trustee roles.

d. Pay policy for key management personnel

The trustees consider the board of trustees and the senior management team comprise the key management personnel of the Charity in charge of directing and controlling, running, and operating the Trust on a day-to-day basis. The remuneration of the trustees and senior management team is reviewed at intervals of not more than every three years.

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

Structure, governance and management (continued)

e. Organisational structure and decision-making

The Students' Union monitored its governance against the revised Good Governance Code of Practice in year and found the governance arrangements to be fit for purpose.

The Trustee Board meets five times a year and is supported by sub committees. The Trustee Board delegated authority to the Appointments sub-Committee and Finance committee in the year ending July 2021. Each of these committees reported their activity to the Trustee Board.

The Trustee Board delegates more day-to-day decisions to The Union Officer Group (comprising all the elected officers), Union Leadership Group (Comprising the Elected Officers and the Senior Leadership Team), Human Resources Committee, or Senior Leadership Team. The Union Leadership Group and Union Officer Group meet formally every month during term time to receive reports from individual Officers, sub committees and the Chief Executive. They also review the charity's performance and administration generally and to decide operational issues arising. The Union MMU also employs circa 60 non-student staff for the sake of continuity in the management of its many duties. All staff are accountable to the Chief Executive for the performance of their duties.

The Students' Union operates a representative democracy with its five elected officers elected by and from the current student population of the University. All full-time members of The Union can activate and agree Union policy through secure petition resulting in a referendum of all members. Any student can influence the work of The Union by submitting ideas in person or online to one of our subgroups dedicated to discussing improvements to the student experience in a particular area of activity. Student insight informs the work of The Union through delivery of an annual engagement plan, which ensures that The Union's priorities and provision meets the needs of the diverse student population of Manchester Metropolitan University. Whenever possible, the Students Union seek to act in response to student influence, insight, and referendum, although the Trustee Board does have supervisory power to veto any decision which is in breach of charity or education law or other legal requirements, or which is considered not to be in the best interests of the Students' Union or its charitable objectives.

f. Risk management

The Trustee Board is responsible for ensuring the annual review of major risks to which The Union MMU is exposed. Systems have been established to mitigate or minimise these risks. The Trustee Board of the Students' Union has examined the major strategic, Financial, Human Resource, legal and regulatory, Governance and Management, business and operational, technological, and external risks faced by The Union MMU. A live-risk register is used and updated after every trustee board. Current significant risks are reported to the board at every meeting, and the full risk register is reviewed at least annually detailing where appropriate systems or procedures in place to mitigate the risks the Students' Union faces. Budgetary and internal control risks have been minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety for staff, volunteers and participants in all activities organised by The Union. The Union regularly reviews its procedures to ensure that they are compliant and continue to meet the needs of the Students' Union.

Funds held as custodian

Manchester Metropolitan Students' Union acts as a custodian for activities associated with its opportunities department, namely:

- Funds raised by the many clubs and societies run by its members – these funds are separately identified in the finance system, £123,601

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

Related party relationships

a. Relationship with Manchester Metropolitan University

The Union MMU has a formal relationship with Manchester Metropolitan University. The Union and University express this through a jointly endorsed relationship agreement, formally adopted in 2012, and by the constitutional provisions, which governs the formal interaction between the two organisations. Under the 1994 Education Act, University governing bodies must take all reasonably practical steps to ensure that students' unions operate fairly and democratically and is responsible in the management of its finances. The Manchester Metropolitan University Constitutional provisions outline how this statutory obligation is met. In addition, changes to The Union's articles of association require the approval of the University Board of governors.

b. Relationship with Subsidiary companies

Manchester Metropolitan Students' Union Trading Limited is a limited liability company wholly owned by The Union MMU. The company provides services to a mix of students and non-students including a public house and some entertainments provision.

c. Relationship with the National Union of Students

The Students' Union is an affiliated member of the National Union of Students, a National federation of Students' Unions. The Students' Union works with other students' unions and NUS in pursuit of its charitable objects. This cooperation extends mainly to influencing and campaigning on national issues that affect students and support from NUS with organisational development.

d. Factors Outside of The Union's Control

The Students' Union seeks to influence its key partner, the University, on issues relating to its members educational, welfare, sustainability, employment, and community experience at Manchester Met as well as social policy issues locally and nationally. The Union can influence, however, most of these issues are out of the Union's direct control. The Students' Union has a complex relationship with its beneficiaries who are members of The Union, significant customers of the company, and in many cases supported volunteers or employees of The Union. Further, the organisation operates democratically to take account of student views.

Plans for future periods

Future developments

The strategic plan sets out the key areas of focus for The Union in achieving its vision to support every student at Manchester Met in achieving their personal goals and ambitions. A timeline for review of the strategic plan in 2021/22 was approved by the trustee board in the current year.

The current strategy challenges the Union to positively affect the life, learning and belonging of our members to enable them to achieve their personal goals and belongings. In 2021/22 The Union will focus resources on five key areas:

1. Increasing inclusivity and participation
2. Supporting members to shape our work
3. Helping students to make positive change
4. Providing opportunities and support for personal growth
5. Delivering excellent service

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Trustees' Report (continued)
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Information on fundraising practices

Student groups raise funds through the charitable activity for distribution to nominated charities. No professional fund-raisers acted on behalf of the Union, no complaints were received about fundraising activity, and a strategy for protection of vulnerable people and members of the public in relation to fundraising is not required.

Trustee Indemnities

Every trustee or other officer of The Union MMU shall be indemnified out of the assets of The Union in relation to any liability incurred by them in that capacity but only to the extent permitted by the Companies Act.

The trustees maintain an appropriate indemnity policy brokered by Endsleigh insurance that covers the liability of trustees or another officer of The Union in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011 (provided that in the case of an officer who is not a trustee, the second and third references to charity trustees in section 189 shall be treated as references to officers of the charity.)

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company 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 period. 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 Group and the Company and of their incoming resources and application of resources, including their 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 Group will continue in business.

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

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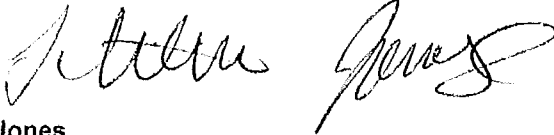
Trustees' Report (continued)
For the Period Ended 31 July 2021

Disclosure of information to auditors

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

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

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


L. Jones
Trustee
Date: 21.10.21

Independent Auditors' Report to the Members of The Union, MMU

Opinion

We have audited the financial statements of The Union, MMU (the 'parent charitable company') and its subsidiary (the 'group') for the period ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated 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 Group's and of the parent charitable company's affairs as at 31 July 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the period 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 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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 Group's or the parent 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.

The Union, MMU
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of The Union, MMU (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 period 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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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 The Union, MMU (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 Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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 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 company, including the financial reporting legislation, Companies Act 2006, 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 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.

The Union, MMU
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of The Union, MMU (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 2 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:

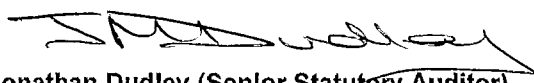
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's 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, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.


Jonathan Dudley (Senior Statutory Auditor)
for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

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

Date: 22 October 2021

The Union, MMU
(A Company Limited by Guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
for the 10 1/2 month period ended 31 July 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Income from:				
Donations and legacies	3	2,487,445	327,803	2,815,248
Other trading activities	4	408,314	-	408,314
Investments	5	121	-	121
		<u>2,895,880</u>	<u>327,803</u>	<u>3,223,683</u>
Total income				
Expenditure on:				
Raising funds	7	406,265	-	406,265
Charitable activities	6	7,084,447	-	7,084,447
		<u>7,490,712</u>	<u>-</u>	<u>7,490,712</u>
Total expenditure				
Net (expenditure)/income		<u>(4,594,832)</u>	<u>327,803</u>	<u>(4,267,029)</u>
Transfers between funds	18	327,803	(327,803)	-
		<u>(4,267,029)</u>	<u>-</u>	<u>(4,267,029)</u>
Net movement in funds				
Reconciliation of funds:				
Net movement in funds		<u>(4,267,029)</u>	<u>-</u>	<u>(4,267,029)</u>
Total funds carried forward		<u>(4,267,029)</u>	<u>-</u>	<u>(4,267,029)</u>

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

The notes on pages 23 to 43 form part of these financial statements.

The Union, MMU
(A Company Limited by Guarantee)
Registered number: 12714026

Consolidated Balance Sheet
As at 31 July 2021

	Note	2021 £
Fixed assets		
Tangible assets	11	25,879
Investments	12	1,824
		<u>27,703</u>
Current assets		
Stocks	13	91,163
Debtors	14	102,052
Cash at bank and in hand		1,631,516
		<u>1,824,731</u>
Creditors: amounts falling due within one year	15	(607,448)
Net current assets		<u>1,217,283</u>
Total assets less current liabilities		<u>1,244,986</u>
Creditors: amounts falling due after more than one year	16	(5,512,015)
Total net liabilities		<u>(4,267,029)</u>
Charity funds		
Restricted funds	18	-
Unrestricted funds		
Unrestricted funds excluding pension liability	18	1,478,278
Pension reserve	18	(5,745,307)
Total unrestricted funds	18	<u>(4,267,029)</u>
Total funds		<u>(4,267,029)</u>

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



L Jones
Trustee

Date: 22.10.21

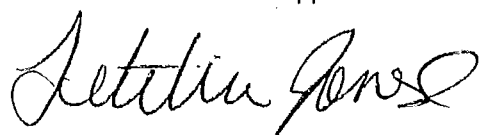
The notes on pages 23 to 43 form part of these financial statements.

The Union, MMU
(A Company Limited by Guarantee)
Registered number: 12714026

**Company Statement of financial position
As at 31 July 2021**

	Note	2021 £
Fixed assets		
Tangible assets	11	25,879
Investments	12	1,825
		<u>27,704</u>
Current assets		
Stocks	13	86,671
Debtors	14	267,085
Cash at bank and in hand		1,467,342
		<u>1,821,098</u>
Creditors: amounts falling due within one year	15	(603,816)
Net current assets		<u>1,217,282</u>
Total assets less current liabilities		<u>1,244,986</u>
Creditors: amounts falling due after more than one year	16	(5,512,015)
Total net assets		<u><u>(4,267,029)</u></u>
Charity funds		
Restricted funds	18	-
Unrestricted funds		
Unrestricted funds excluding pension liability	18	1,478,278
Pension reserve	18	(5,745,307)
		<u>(4,267,029)</u>
Total unrestricted funds	18	<u>(4,267,029)</u>
Total funds		<u><u>(4,267,029)</u></u>

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



L Jones
Trustee

Date: 22.10.21

The notes on pages 23 to 43 form part of these financial statements.

The Union, MMU
(A Company Limited by Guarantee)

Consolidated Statement of Cash Flows
As at 31 July 2021

	2021 £
Cash flows from operating activities	
Net cash provided by operating activities	19,364
Cash flows from investing activities	
Purchase of tangible fixed assets	(1,849)
Cash donated from predecessor charity	1,614,001
Net cash provided by investing activities	1,612,152
Change in cash and cash equivalents in the period	1,631,516
Cash and cash equivalents at the end of the period	1,631,516

The notes on pages 23 to 43 form part of these financial statements

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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.

The Union, MMU meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

1.2 Basis of consolidation

The financial statements consolidate the accounts of The Union, MMSU and its subsidiary undertaking ('subsidiary').

The income and expenditure account for the year dealt with in the accounts of the charity was a deficit of £4,267,029.

1.3 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 Group 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 Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1. Accounting policies (continued)

1.4 Going concern

The Group and Company have net liabilities at 31 July 2021 of £4,267,029 due to the recognition under Charities SORP (FRS 102) of the net present value of the funding deficit on the SUSS pension recovery plan. Further information is detailed in note 25 to the accounts. This is a long term commitment which ends in 2035 and the trustees are confident that annual payments towards this plan will be met out of income for each year.

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.

1.5 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Company's accounting policies.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

1.6 Government grants

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

1. Accounting policies (continued)

1.7 Expenditure

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

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

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

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

1.8 Tangible fixed assets and depreciation

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 straight-line method.

Depreciation is provided on the following basis:

Plant and machinery and other fixed assets	-	25% - 33% straight line basis
Office and computer equipment	-	25% - 33% straight line basis

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

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless 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 Consolidated Statement of Financial Activities.

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

1. Accounting policies (continued)

1.10 Interest receivable

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

1.11 Stocks

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

1.12 Debtors

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

1.13 Cash at bank and in hand

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

1.14 Liabilities and provisions

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

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

1.15 Financial instruments

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

1. Accounting policies (continued)

1.16 Pensions

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Critical areas of judgment:

Pension scheme discount rate

As previously explained a pension liability is recognised in the accounts for the present value of contributions payable to fund the deficit in the defined benefit scheme (see note 25 to the accounts). A key estimate made when calculating the present value of future payments is the discount rate applied. The trustees have approved a rate of 1.45% as recommended by the advisors of the NUS. However, a change in the rate applied could have a material impact on the calculated liabilities and therefore a material impact on the balance sheet and statement of financial activities.

The Union, MMU
(A Company Limited by Guarantee)

Notes to the Financial Statements
As at 31 July 2021

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Block grant	1,937,149	-	1,937,149
Top up grant	550,296	-	550,296
Coronavirus Job Retention Scheme	-	327,803	327,803
	<u>2,487,445</u>	<u>327,803</u>	<u>2,815,248</u>

4. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £
Commercial	337,575	337,575
Totum Card	2,180	2,180
Media	(2,794)	(2,794)
Other	50,000	50,000
Trading Subsidiary	21,353	21,353
	<u>408,314</u>	<u>408,314</u>

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	121	121

The Union, MMU
(A Company Limited by Guarantee)

Notes to the Financial Statements
As at 31 July 2021

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £
Advancement of education	2,106,206	2,106,206
Transfer from The Manchester Metropolitan University Students' Union	4,978,241	4,978,241
	<u>7,084,447</u>	<u>7,084,447</u>

Summary by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total funds 2021 £
Advancement of education	1,294,963	14,424	796,819	2,106,206
Transfer from The Manchester Metropolitan University Students' Union	-	-	4,978,241	4,978,241
	<u>1,294,963</u>	<u>14,424</u>	<u>5,775,060</u>	<u>7,084,447</u>

The Union, MMU
(A Company Limited by Guarantee)

Notes to the Financial Statements
As at 31 July 2021

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Total funds 2021 £
Bar, shop and building support	278,268	278,268
Freshers costs	1,463	1,463
Trading subsidiary costs	9,781	9,781
Ambassador costs	10,929	10,929
Voluntary income staff costs	92,889	92,889
Voluntary income depreciation	12,935	12,935
	<u>406,265</u>	<u>406,265</u>

The Union, MMU
(A Company Limited by Guarantee)

Notes to the Financial Statements
As at 31 July 2021

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Total funds 2021 £
Total direct costs	2,106,206	2,106,206
Transfer from The Manchester Metropolitan University Students' Union	4,978,241	4,978,241
	<u>7,084,447</u>	<u>7,084,447</u>

Analysis of direct costs

	Total funds 2021 £
Transfer from The Manchester Metropolitan University Students' Union	4,978,241
Staff costs	1,294,963
Depreciation	14,424
Staff travel & hospitality	1,212
Training	42,471
SUSS pension costs	49,727
Printing, postage and stationary	5,411
Banking and transaction charges	5,816
Legal and professional fees	73,603
Campaigns	2,694
Welcome costs	1,813
Computer and office equipment	25,074
Licenses, subscriptions and affiliations	58,041
Marketing and research	(2,756)
Website costs	6,875
Opportunities and volunteering	8,196
Project funding	11,420
Staff recruitment	4,354
Staff OSPs & DIS	2,432
Repairs, maintenance and premises costs	492,942
Other direct costs	(2,712)
Governance costs	10,206
	<u>7,084,447</u>

The Union, MMU
(A Company Limited by Guarantee)

Notes to the Financial Statements
As at 31 July 2021

8. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

Included within licenses, subscriptions and affiliation costs of £58,041, is NUS Affiliation costs of £37,500, and licenses and subscription costs of £20,541.

9. Net income/(expenditure)

	2021 £
Depreciation of tangible fixed assets:	
-owned by the charitable group	27,357
Auditor's remuneration - audit	7,610
Other operating leases	535,476
	<u>570,443</u>

During the period, sabbatical officer trustees received remuneration of £88,517.
During the year, 0 trustees received reimbursement of expenses of £Nil

Sabbatical officer trustees enter into, and are remunerated by the Union under a contract of employment once elected to office in accordance with the Articles of Governance of The Union, MMU.

10. Staff costs

	Group 2021 £	Company 2021 £
Wages and salaries	1,220,942	1,220,942
Social security costs	107,376	107,376
Other pension costs	59,535	59,535
	<u>1,387,853</u>	<u>1,387,853</u>

Notes to the Financial Statements
As at 31 July 2021

10. Staff costs (continued)

The average number of persons employed by the Company during the period was as follows:

	Group 2021 No.
Venues	3
Shop	5
Central	8
Marketing	12
Membership/Opportunities	12
Officers	5
Advice	7
Cafe	3
Reception and Building Support	4
	<hr/>
	59
	<hr/>

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

	Group 2021 No.
In the band £70,001 - £80,000	1

During the period, remuneration and benefits received by key management personnel, as listed on page 1, totalled £285,753.

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11. Tangible fixed assets

Group and Company

	Plant and machinery £	Office equipment £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation					
Additions	600	1,249	-	-	1,849
Donations	25,279	5,481	17,898	2,729	51,387
At 31 July 2021	25,879	6,730	17,898	2,729	53,236
Depreciation					
Charge for the period	14,929	2,067	9,110	1,251	27,357
At 31 July 2021	14,929	2,067	9,110	1,251	27,357
Net book value					
At 31 July 2021	10,950	4,663	8,788	1,478	25,879

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12. Fixed asset investments

Group	Listed investments £		
Cost or valuation			
On donation at 15 September 2020			1,824
At 31 July 2021			1,824
Net book value			
At 31 July 2021			1,824
	Investments in subsidiary companies £	Listed investments £	Total £
Company			
Cost or valuation			
On donation at 15 September 2020	1	1,824	1,825
At 31 July 2021	1	1,824	1,825
Net book value			
At 31 July 2021	1	1,824	1,825

All fixed asset investments are held in the UK.

13. Stocks

	Group 2021 £	Company 2021 £
Finished goods and goods for resale	91,163	86,671

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14. Debtors

	Group 2021 £	Company 2021 £
Due within one year		
Trade debtors	16,365	16,365
Amounts owed by group undertakings	-	165,430
Other debtors	29,558	29,161
Prepayments and accrued income	29,117	29,117
Grants receivable	27,012	27,012
	<u>102,052</u>	<u>267,085</u>

15. Creditors: Amounts falling due within one year

	Group 2021 £	Company 2021 £
Trade creditors	26,697	25,555
Other taxation and social security	30,277	30,277
Other creditors	400,068	399,988
Accruals and deferred income	150,406	147,996
	<u>607,448</u>	<u>603,816</u>

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

	Group 2021 £	Company 2021 £
Other creditors	5,512,015	5,512,015

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2021 £
Payable or repayable by instalments	4,335,997
	4,335,997

17. Financial Instruments

	Group 2021 £	Company 2021 £
Financial assets		
Financial assets measured at amortised cost	45,923	45,526
	Group 2021 £	Company 2021 £
Financial liabilities		
Financial liabilities measured at amortised cost	6,089,186	6,085,554

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

Financial liabilities measured at amortised cost comprise trade creditors, other creditors (including the pension liability) and accruals and deferred income.

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18. Statement of funds

Statement of funds - current period

	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2021 £
Unrestricted funds				
Designated funds				
Development and Improvement Fund	-	-	240,000	240,000
General funds				
General Funds	2,895,880	(7,420,326)	5,762,724	1,238,278
Pension reserve	-	(70,386)	(5,674,921)	(5,745,307)
	<u>2,895,880</u>	<u>(7,490,712)</u>	<u>87,803</u>	<u>(4,507,029)</u>
Total Unrestricted funds	<u>2,895,880</u>	<u>(7,490,712)</u>	<u>327,803</u>	<u>(4,267,029)</u>
Restricted funds				
Coronavirus job retention scheme	327,803	-	(327,803)	-
	<u>327,803</u>	<u>-</u>	<u>(327,803)</u>	<u>-</u>
Total of funds	<u>3,223,683</u>	<u>(7,490,712)</u>	<u>-</u>	<u>(4,267,029)</u>

The specific purposes for which funds has been designated are as follows:

Development and improvement fund

This fund represents monies set aside for the investment in the Union building in order to improve the student experience.

19. Summary of funds

Summary of funds - current period

	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2021 £
Designated funds	-	-	240,000	240,000
General funds	2,895,880	(7,490,712)	87,803	(4,507,029)
Restricted funds	327,803	-	(327,803)	-
	<u>3,223,683</u>	<u>(7,490,712)</u>	<u>-</u>	<u>(4,267,029)</u>

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20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	25,879	25,879
Fixed asset investments	1,824	1,824
Current assets	1,824,731	1,824,731
Creditors due within one year	(607,448)	(607,448)
Creditors due in more than one year	(5,512,015)	(5,512,015)
Total	(4,267,029)	(4,267,029)

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

	Group 2021 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(4,267,029)
Adjustments for:	
Depreciation charges	27,357
Decrease in stocks	33,576
Decrease in debtors	156,603
(Decrease) in creditors	(909,385)
Assets donated from predecessor charity	(2,050,607)
Liabilities inherited from predecessor charity	7,028,848
Net cash provided by operating activities	19,363

22. Analysis of cash and cash equivalents

	Group 2021 £
Cash in hand	1,631,516
Total cash and cash equivalents	1,631,516

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23. Analysis of changes in net debt

	Cash flows £	At 31 July 2021 £
Cash at bank and in hand	1,631,516	1,631,516
	<u>1,631,516</u>	<u>1,631,516</u>

24. Business combinations

On 15/09/2020, all of the assets and liabilities of The Manchester Metropolitan University Students' Union transferred to The Union, MMU for £nil consideration.

	Book value £	Fair value £
Fixed Assets		
Tangible	51,389	51,389
Investments	1,824	1,824
	<u>53,213</u>	<u>53,213</u>
Current Assets		
Stocks	124,738	124,738
Debtors	258,655	258,655
Cash at bank and in hand	1,614,001	1,614,001
Total Assets	<u>2,050,607</u>	<u>2,050,607</u>
Creditors		
Total liabilities	<u>(7,028,848)</u>	<u>(7,028,848)</u>
Total Identifiable net liabilities	<u>(4,978,241)</u>	<u>(4,978,241)</u>

25. Pension commitments

NEST Scheme

The Union operates a defined contributions 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 Union to the fund and amounted to £1,915. Contributions totalling £432 were payable to the fund at the balance sheet date and are included in creditors.

SUSS Scheme (closed to future accrual in 2011)

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

The most recent Valuation of the Scheme was carried out as at 30 June 2019 and showed that the market value of the Scheme's assets was £119,000,000 with these assets representing 46% of the value of benefits that had accrued to members after allowing for expected future increases in earnings. The deficit on an ongoing funding basis amounted to £141,000,000.

The assumptions which have the most significant effect upon the results of the Valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The following assumptions applied at 30 June 2019:

1. The return on investment would be 4.0% per annum before and 2.0% per annum after retirement.
2. Pensions accruing on the CARE basis would revalue at 3.6%.
3. Present and future pensions would increase at rates specified by Scheme rules where appropriate where these are dependent on inflation.

The 2019 valuation recommended a monthly contribution requirement by each participating employer expressed in monetary terms to clear the ongoing funding deficit over a period of 15 years and will increase at 5% per year. These contributions also include an allowance for the cost of the ongoing administrative and operational expenses of running the scheme. These rates applied from 1 October 2020 and will be formally reviewed following the completion of the next valuation due with an effective date of 30 June 2022. Surpluses and deficits which arise with future valuations will also impact on the Union's future contribution commitment. See Notes 15 and 16 for the liability recognised under the currently agreed deficit funding plan expiring September 2035. Liabilities are shown on a discounted present value basis. In addition to the above contributions, the Union pays its share of the scheme's levy to the Pension Protection Fund.

NUSPS Scheme

The closed SUSS Pension has been replaced with a new scheme provided by Aegon on behalf of NUS. All existing members of the SUSS scheme have been transferred to the NUS Pension Scheme (NUSPS) following consultation with Unison. NUSPS is a defined contribution scheme. Contributions to this scheme commenced in October 2011. Contributions paid into the scheme by the Union for the period amounted to £59,535. Contributions totalling £9,306 were payable to the fund at the balance sheet date and are included in creditors.

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26. Operating lease commitments

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

	Group 2021 £	Company 2021 £
Not later than 1 year	535,476	535,476
Later than 1 year and not later than 5 years	1,606,428	1,606,428
	<u>2,141,904</u>	<u>2,141,904</u>

27. Related party transactions

The following transactions occurred during the period with Manchester Metropolitan University:

	2021 £
Recurrent Grant Receivable	1,858,800
Sale of Goods and Services	80,173
Purchases of Goods and Services	488,787
Rent	213,000
Service charge	322,476
	<u>2,963,236</u>

28. Controlling party

The Students' Union is controlled by the Board of Trustees some of whom are subject to democratic election by the voting membership of the Students' Union. As such no single person or entity controls the Students' Union.

29. Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Class of shares	Holding	Included in consolidation
Manchester Metropolitan Students' Union Trading Limited	09188480	Ordinary Shares	100%	Yes

The financial results of the subsidiary for the period were:

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29. Principal subsidiaries (continued)

Name	Income £	Expenditure £	Net assets £
Manchester Metropolitan Students' Union Trading Limited	21,353	(21,353)	1