

**THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2021**

**THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST**

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## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2021

#### Trustees

L Adams, Co-opted Trustee (resigned 01/12/2021)  
R Avann, OUSA Chief Executive  
C Brown, Chair and Immediate Past President (appointed 01/08/2020)  
R Flynn, OU Vice Chancellor Nominee  
S Goodyear, Co-opted Trustee  
A Kingan, Deputy Chair and OUSA Vice President Student Support  
M Porterfield, OUSA Vice President Administration (appointed 01/08/2020)  
S Stubbins, Co-opted Trustee (appointed 28/01/2021)

#### Charity registered numbers

285189 and SCO38300

#### Principal office

P.O. Box 397  
Walton Hall  
Milton Keynes  
Buckinghamshire  
MK7 6BE

#### Independent auditor

James Cowper Kreston  
Chartered Accountants and Statutory Auditor  
2 Chawley Park  
Cumnor Hill  
Oxford  
Oxfordshire  
OX2 9GG

#### Bankers

National Westminster Bank plc  
501 Silbury Boulevard  
Milton Keynes

#### Solicitors

Stone King LLP  
Boundary House  
91 Charterhouse Street  
London  
EC1M 6HR

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2021

The Trustees present their annual report together with the audited financial statements of The Open University Students Educational Trust (OUSET) for the 1st August 2020 to 31st July 2021. The Trustees confirm that the annual report and financial statements of the Charity comply with the current statutory requirements, its Declaration of Trust and the provisions of the Charities SORP (FRS 102).

#### OBJECTIVES AND ACTIVITIES

##### Objectives and Aims

The Trust was established in 1982 by the Open University Students Association to advance the education of the public.

The objective of the charity, to advance the education of the public, is set out in its Declaration of Trust:

- To advance the education of the public by assisting Open University students in condition of need, hardship or distress by the provision of aids, grants, or other means that shall assist their education within the University

##### Activities for achieving objectives

The Trust supports students who would be otherwise unable to study with the Open University, whether this is due to being ineligible for other forms of financial assistance or being unable to secure the full amount they may need to fund their studies.

OUSET works closely with the University to promote the opportunity of support and to work together to maximise the use of the Trust's resources to assist successful applicants.

The Trustees and their supporting members of OU Students Association staff are focused on the efficient processing of grant applications for financial assistance and the review of our funding criteria in the light of the constantly changing environment of the Higher Education Sector.

##### Grant Making Policy

It is the policy of OUSET to consider applications from those who can demonstrate a serious intention to succeed in their studies with the University and who can also demonstrate that their need for financial support is genuine.

Grants are only considered toward the cost of study and other closely related study requirements - for example, fees, travel to tutorials or residential schools, childcare costs, set books, IT equipment. Grants are not made for general cost of living expenses.

Trustees give priority to those who have embarked on a qualification but where a change in financial circumstances means that they would be unable to continue with their studies without assistance from OUSET.

This year, the Charity has received a number of applications from students whose financial situation has been adversely impacted by the Covid-19 pandemic. All applications are considered against the criteria in place at that time, which is regularly reviewed and revised by the Trustees to reflect changes in the Higher Education Sector.

The Charity monitors the education and financial sectors and adjusts its criteria and guidance to applicants ensuring these are well adapted to the changing student demographic and their needs.

##### Volunteers

With the exception of the Open University Vice-Chancellor's nominee and the Open University Students Association Chief Executive, all other Trustees are volunteers and only receive expenses in return for completing their duties.

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

#### ACHIEVEMENTS AND PERFORMANCE

Trustees aim to support all applications that meet the published criteria and do not place a cap on the number of awards it can grant in a period.

Trustees are proud of the contribution they make to improving the life chances of the grant recipients and as a result, bringing wider benefits to society at large.

In 2020/21, OUSET supported 53 students (2019/20: 59) who met the funding criteria, granting a total of £121,083 in awards (2019/20: £97,563).

Over the last few years, the Trust has expended more than it has generated in income and so reserves are declining. Trustees are therefore seeking to develop new approaches to income generation and have undertaken a review of the funding criteria.

#### FINANCIAL REVIEW

##### Income and Expenditure

Expenditure in the year exceeded income by £57,821.

The Charity relies on donations and legacies to fund its activities and these are unpredictable. To maximise the amount it receives from donations, the Trust is registered for Gift Aid. In 2020/21, we reclaimed £599 from HMRC.

Other than expenditure on grants, the Trust's largest area of expenditure is the management fee payable to the Association based on a percentage of staff time allocated to the administration and management of the Trust. The basis of the management fee is reviewed annually and agreed between Trustees of the Students Association and Trustees of the Educational Trust.

OUSET has systems in place to provide the appropriate financial information to Trustees and managers to make sound financial decisions and to fulfil Charity Commission requirements. Management and Trustees receive regular financial statements to enable them to monitor the Trust's financial position to help ensure future financial sustainability. The Charity reported no funds in deficit during the year.

##### Reserves

The charity brought forward total reserves of £744,703 of which £13,140 was restricted. This restricted fund was allocated during the year, in accordance with the donor's wishes, to support 5 awards to students registered on maths, science or technology modules.

The Trust carries forward to 2021/22 a total of £686,882 in unrestricted funds.

Whilst Trustees do not set a minimum or maximum level of reserves, they are mindful of balancing support for applicants in the current year with safeguarding funding to support applicants in future years.

The current Higher Education sector financial picture remains uncertain and everchanging and therefore the context that we operate in is a challenging environment where the Trustees have to apply financial prudence to their decision making to ensure OUSET financial sustainability. Nonetheless it is our desire to attract hard to reach students and raise awareness about the Charity's work. This work will continue through the re-evaluation of Charity's funding criteria, new guidelines notes, and re-design of funding applications.

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

#### Investment policy and performance

Trustees prioritise liquidity over financial returns and accept that this is likely to mean that the real value of the asset will depreciate over time.

The reserve is therefore held in an instant access deposit account with NatWest currently earning interest at 0.01%.

Trustees periodically review their investment policy and liaise with the Head of Operations and Head of Finance and Resources of the Students Association regarding the management of OUSET's funds.

#### 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 concern basis can be found in the Accounting Policies.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing Document

The Open University Students' Educational Trust (OUSET) is controlled by its governing document, a Declaration of Trust, dated 22 May 1982 as amended by a scheme dated 9 October 1992 and as further amended by Deed on 9 April 2019 and constitutes a charitable trust.

#### Method of Appointment or Election of Trustees

As per the governing document, three of the Trustee positions are appointed by virtue of their position within the Open University Students Association (OUSA).

One further position is appointed by virtue of their previous position within OUSA, as it is reserved for the Immediate Past President. One further Trustee is nominated by the Vice Chancellor of the Open University and there are three co-opted positions. It is envisaged that all Trustees will serve terms of two years in line with the main election periods within OUSA, although there is no current limit on duration.

#### Policies Adopted for the Induction and Training of New Trustees

On appointment, Trustees are briefed on the role and provided with training on our methods and principles.

#### Pay Policy for Senior Staff

OUSET does not employ any staff. Instead, OUSET pays a management charge to the Open University Students Association for the staffing support that it receives.

The day to day management of the Charity is managed by the Open University Students Association's Head of Operations and her team, supported by the Finance and Resources team.

#### Organisational Structure and Decision Making

The Trustees primarily operate online via a suite of secure forums hosted by OUSA.

These forums provide the opportunity for Trustees to consider applications, meet virtually, discuss the business of the Trust and engage with OUSA staff who support Trust's administrative functions. In addition, there are usually at least two face-to-face meetings taking place in any given financial year. During the pandemic, all Trustee meetings have taken place via MS Teams.

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

#### Related Party Relationships

The Open University Students Association was instrumental in establishing OUSET and supports the charity in its fundraising endeavours. No fundraising was undertaken in 2020/21.

Through the OU Students Shop, the Students' Association invites customers to make a voluntary donation to support the activities of OUSET. In 2020/21, donations from this source totalled £7,337.

In addition, OUSET also received donations totalling £8,820 from 3 Societies on closure – Ballet and Opera, Development and Environment and Dr Turing.

#### Risk Management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure that appropriate controls and systems are in place. OUSET does not directly employ any staff members but day to day duties are handled by the OUSA Operations Team and overseen by the Head of Operations on behalf of the OUSA Senior Management Team.

Trustees have identified its principal risks as:

- The threat to financial sustainability from the erosion of reserves from expenditure continuing to exceed income;
- The threat to operational capacity to progress all incoming applications, if the need for services rapidly increases;
- Loss or unavailability for prolonged periods of key personnel affecting the ability to progress applications within required timeframes.

#### PLANS FOR FUTURE PERIODS

##### Future Developments

OUSET keeps its operation, its criteria and application guidelines under review to ensure continuous improvement to deliver an organisation that can better achieve its objectives.

During the year OUSET has taken steps towards updating its governing document, Declaration of Trust, to make improvements to the administration and effectiveness of the Trust, and to invite more independent representation.

The main focus for 2021/22 will be to ensure that the Charity's redesigned funding criteria and supporting documents are communicated to all stakeholders and embedded with the Open University networks and operational systems. The Charity recognised that there are some significant funding changes between undergraduate and postgraduate levels of study, therefore under the new system there will be a separation of criteria to best accommodate these changes.

The Charity made plans to formulate its strategic direction where through a series of focused sessions and workshops, a plan will be implemented for the Charity to progress towards fulfilment of its vision and strategic goals.

In 2021/22 the Open University Students Association will be celebrating its 50th Anniversary, the Charity plans to be actively involved in the celebrations and to use the events to promote its work and run a fundraising campaign alongside.

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

#### TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees 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).

The law applicable to charities in England/Wales & Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity 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;
- 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 proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the trust deed. 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 their behalf by:



Catherine Brown 28 Jan 2022 15:27:46 GMT (UTC +0)

C Brown, Chair and Immediate Past President

Date: 28 January 2022



## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

#### Opinion

We have audited the financial statements of The Open University Students Educational Trust (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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2021 and of its incoming resources and application of resources 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 Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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 OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST (CONTINUED)

#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's 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.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST (CONTINUED)

#### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE OPEN UNIVERSITY STUDENTS  
EDUCATIONAL TRUST (CONTINUED)**

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



**James Cowper Kreston**  
Chartered Accountants and Statutory Auditor  
2 Chawley Park  
Cumnor Hill  
Oxford  
Oxfordshire  
OX2 9GG

Date: 07/02/2022

James Cowper Kreston are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 JULY 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>					
Donations and legacies	3	121,451	-	121,451	74,564
Investments	4	111	-	111	2,074
		<u>121,562</u>	<u>-</u>	<u>121,562</u>	<u>76,638</u>
<b>Total income</b>					
<b>Expenditure on:</b>					
Charitable activities		166,243	13,140	179,383	158,450
		<u>166,243</u>	<u>13,140</u>	<u>179,383</u>	<u>158,450</u>
<b>Total expenditure</b>					
		(44,681)	(13,140)	(57,821)	(81,812)
		<u>(44,681)</u>	<u>(13,140)</u>	<u>(57,821)</u>	<u>(81,812)</u>
<b>Net movement in funds</b>					
<b>Reconciliation of funds:</b>					
Total funds brought forward		731,563	13,140	744,703	826,515
Net movement in funds		(44,681)	(13,140)	(57,821)	(81,812)
		<u>686,882</u>	<u>-</u>	<u>686,882</u>	<u>744,703</u>
<b>Total funds carried forward</b>					

The notes on pages 14 to 21 form part of these financial statements.

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

BALANCE SHEET  
AS AT 31 JULY 2021

	Note		2021 £	2020 £
<b>Current assets</b>				
Debtors	9	122,487	51,876	
Cash at bank and in hand		590,282	717,885	
		<u>712,769</u>	<u>769,761</u>	
Creditors: amounts falling due within one year	10	(25,887)	(25,058)	
<b>Net current assets</b>			<u>686,882</u>	<u>744,703</u>
<b>Total net assets</b>			<u><u>686,882</u></u>	<u><u>744,703</u></u>
<b>Charity funds</b>				
Restricted funds	11	-	-	13,140
Unrestricted funds	11	686,882	731,563	
<b>Total funds</b>			<u><u>686,882</u></u>	<u><u>744,703</u></u>

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



Catherine Brown 28 Jan 2022 15:27:46 GMT (UTC +0)

C Brown, Chair and Immediate Past President

Date: 28 January 2022

The notes on pages 14 to 21 form part of these financial statements.

**THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>(127,603)</b>	(108,283)
	<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>	<b>(127,603)</b>	<b>(108,283)</b>
Cash and cash equivalents at the beginning of the year	717,885	826,168
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>590,282</b>	717,885
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 14 to 21 form part of these financial statements

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

#### 1. General information

The Open University Students Educational Trust is an unincorporated charitable trust. It is registered in England and Wales with charity registered number 285189 and in Scotland with charity registered number SC038300.

The principal activity of the trust is the provision of aids, grants, loans or other means to assist with the education of students within the Open University.

#### 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 Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Open University Students Educational Trust 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 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.

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 charity 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 charity, can be reliably measured.



## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

#### 2. Accounting policies (continued)

##### 2.3 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.

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.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

##### 2.4 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 bank.

##### 2.5 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.

##### 2.6 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.

##### 2.7 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.

##### 2.8 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.

**THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

**2. Accounting policies (continued)**

**2.9 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.

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.

**3. Income from donations and legacies**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Donations	17,571	<b>17,571</b>	10,527
Legacies	103,880	<b>103,880</b>	64,037
<b>Total 2021</b>	<u>121,451</u>	<u><b>121,451</b></u>	<u>74,564</u>
<b>Total 2020</b>	<u>74,564</u>	<u>74,564</u>	

**4. Investment income**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Bank interest received	111	<b>111</b>	2,074
<b>Total 2020</b>	<u>2,074</u>	<u>2,074</u>	

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS  
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## 5. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Grants	-	121,083	-	121,083	97,563
Direct costs	51,282	-	-	51,282	53,964
Governance costs	-	-	7,018	7,018	6,923
<b>Total 2021</b>	<b>51,282</b>	<b>121,083</b>	<b>7,018</b>	<b>179,383</b>	<b>158,450</b>
<b>Total 2020</b>	<b>53,964</b>	<b>97,563</b>	<b>6,923</b>	<b>158,450</b>	

## Analysis of direct costs

	Direct costs 2021 £	Total funds 2021 £	Total funds 2020 £
Management charges	51,007	51,007	53,328
Postage and stationery	-	-	134
Board meetings	-	-	70
Card transaction charges	240	240	355
Data protection	34	34	35
Bank charges	1	1	42
<b>Total 2021</b>	<b>51,282</b>	<b>51,282</b>	<b>53,964</b>

## Analysis of support costs

	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Governance costs	7,018	7,018	6,923

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**6. Analysis of grants**

	<b>Grants to Individuals 2021 £</b>	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Grants	121,083	<b>121,083</b>	97,563
Total 2020	97,563	97,563	

**7. Net income/(expenditure)**

This is stated after charging:

	<b>2021 £</b>	<b>2020 £</b>
Auditor's remuneration - audit	<b>5,280</b>	4,560

During the year, no Trustees received any remuneration (2020 - £NIL).

During the year, no Trustees received any benefits in kind (2020 - £NIL).

During the year, no Trustees received reimbursement of expenses (2020 - 2 trustees £579).

**8. Staff costs**

The Charity has no employees other than the Trustees, who did not receive any remuneration (2020 - £NIL).

**9. Debtors**

	<b>2021 £</b>	<b>2020 £</b>
Other debtors	4,948	6,297
Prepayments and accrued income	<b>117,539</b>	45,579
	<b>122,487</b>	51,876

**THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Other creditors - grants payable	20,607	20,498
Accruals and deferred income	5,280	4,560
	<u>25,887</u>	<u>25,058</u>

**11. Statement of funds**

**Statement of funds - current year**

	Balance at 1 August 2020 £	Income £	Expenditure £	Balance at 31 July 2021 £
<b>Unrestricted funds</b>				
General funds	731,563	121,562	(166,243)	686,882
<b>Restricted funds</b>				
Legacies - student support	13,140	-	(13,140)	-
<b>Total of funds</b>	<u>744,703</u>	<u>121,562</u>	<u>(179,383)</u>	<u>686,882</u>

**Statement of funds - prior year**

	Balance at 1 August 2019 £	Income £	Expenditure £	Balance at 31 July 2020 £
<b>Unrestricted funds</b>				
General funds	813,375	76,638	(158,450)	731,563
<b>Restricted funds</b>				
Legacies - student support	13,140	-	-	13,140
<b>Total of funds</b>	<u>826,515</u>	<u>-</u>	<u>(158,450)</u>	<u>744,703</u>

Restricted funds represent amounts received from legacies for use on science, mathematics or technology courses.

**THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Current assets	712,769	<b>712,769</b>
Creditors due within one year	(25,887)	<b>(25,887)</b>
<b>Total</b>	<b>686,882</b>	<b>686,882</b>

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Current assets	756,621	13,140	769,761
Creditors due within one year	(25,058)	-	(25,058)
<b>Total</b>	<b>731,563</b>	<b>13,140</b>	<b>744,703</b>

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

	<b>2021 £</b>	<b>2020 £</b>
	-	-
<b>Adjustments for:</b>		
Net expenditure for the year (as per Statement of Financial Activities)	<b>(56,821)</b>	(81,812)
Increase in debtors	<b>(75,304)</b>	(816)
Increase/(decrease) in creditors	<b>4,522</b>	(25,655)
<b>Net cash used in operating activities</b>	<b>(127,603)</b>	<b>(108,283)</b>

**THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand	590,282	717,885
<b>Total cash and cash equivalents</b>	<b>590,282</b>	<b>717,885</b>

**15. Analysis of changes in net debt**

	At 1 August 2020 £	Cash flows £	At 31 July 2021 £
Cash at bank and in hand	717,885	(127,603)	590,282
	<b>717,885</b>	<b>(127,603)</b>	<b>590,282</b>

**16. Related party transactions**

As described in the Trustees' Report, the majority of Trustees of the Open University Students Educational Trust (Ouset) are appointed by virtue of their position within The Open University Students Association (OUSA) and one nomination by the Vice Chancellor of The Open University (The OU).

During the year a management charge of £51,007 (2020: £53,328) and other costs of £1,738 (2020: £1,596) were charged by OUSA. Donations that were previously collected by OUSA (Services) Limited were processed through OUSA in the current year, totalling £7,337 (2020: £5,628 via OUSA (Services) Ltd). At the year end a balance of £4,299 was receivable (2020: £574 (via OUSA (Services) Ltd).

During the year £NIL purchases were made from OUSA (Services) Ltd (2020: £355).

During the year expenses totalling £NIL (2020: £579) were reimbursed to 0 Trustees (2020: 2).

**17. Controlling party**

The Trustees consider that there is no ultimate controlling party.