

Charity numbers: 285189 & SCO38300

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

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 2022

Trustees

R Avann, OUSA Chief Executive (resigned 13/07/2022)
N Boffee, OUSA Vice President Student Support (appointed 01/08/2022)
C Brown, Chair (resigned 30/09/2022)
M Bryan, OUSA Vice President Administration (appointed 01/08/2022)
R Flynn, OU Vice Chancellor Nominee
S Goodyear, Co-opted Trustee (resigned 30/09/2022)
S Jones, Co-opted Trustee, Chair and Immediate Past President (appointed 01/08/2022)
A Kingan, OUSA Vice President Student Support (resigned 31/07/2022)
J McDougall, Co-opted Trustee (appointed 01/08/2022)
B Metcalf, OUSA Chief Executive (appointed 13/07/2022)
M Porterfield, outgoing OUSA Vice President Administration (resigned 31/07/2022), Co-opted Trustee (appointed 01/08/2022, resigned 30/09/2022)
D Smith, Co-opted Trustee (appointed 01/08/2022)
S Stubbins, Co-opted (appointed 28/01/2022)

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
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

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 2022

The Trustees present their annual report together with the audited financial statements of The Open University Students Educational Trust (OUSET) for the 1 August 2021 to 31 July 2022. The Trustees confirm that the annual report and financial statements of the Trust 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 Trust, to advance the education of the public, is set out in its Declaration and 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.

The Trust 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. We updated our criteria as of October 2021, in order to achieve greater financial stability for OUSET and ensure students have equal opportunity to funding through grants awarded. Changes include caps per academic year and caps on total credits at undergraduate and postgraduate levels. Our funding criteria is published on our website.

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 Trust 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.

As mentioned above, we reviewed and implemented changes to the criteria in October 2021. We will continue to review this over the coming year.

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

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 reimbursement of out of pocket expenses incurred and directly related to OUSET business.

ACHIEVEMENTS AND PERFORMANCE

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

These testimonials received from some of the beneficiaries show what a difference our grant awards can make:

"Thanks to OUSET I am on course to achieve distinction for both modules. This would not have been possible without your significant and thoughtful help and I am very grateful. Thank you. "

"Without your wonderful assistance, I would not have been able to undertake the course and I am so grateful to you and your generosity. Thank you so much."

"I'd like to thank the Trust for awarding me the funding to study my OU Module Science and Health, which wouldn't have been possible without your help. I'm now looking to pursue a career in prosthetic engineering or carer research."

In 2021/22, OUSET supported 45 students (2020/21: 53) who met the funding criteria, granting a total of £98,301 in awards (2020/21: £121,083).

During the year, as well as reviewing the funding criteria, Trustees developed a strategic plan covering 2022/23 to 2024/25. The plan sets out the Trust's key priorities for development and how success will be measured.

To ensure OUSET can continue to provide a safety net for Open University students who might otherwise struggle to continue to fund their studies, our key priority is to further strengthen our financial sustainability by exploring other funding opportunities. We are currently working with a fundraising consultant to develop the Trust's fundraising strategy.

FINANCIAL REVIEW

Income and expenditure

Income in the year exceeded expenditure by £323,481.

The Trust relies on legacies and donations to fund its activities and these are unpredictable. Whilst Trustees are always saddened to hear of the passing of a member of the Open University student or alumni community, we are grateful that the valuable work of OUSET is often remembered in wills. In 2021/22, income from bequests and legacies amounted to £442,695 (2020/21: £103,880).

The Students Association encourages customers of the OU Students Shop, where students can download past exam papers, free of charge, to donate to the work of OUSET. To maximise the amount it receives from donations, the Trust is registered for Gift Aid and this is reclaimed quarterly from HMRC.

To commemorate the Students Association's 50th anniversary, each of the 4 faculties of the Open University pledged a £5,000 donation to the £50,000 fundraising target on behalf of OUSET. The Student Association's Board of Trustees, at their meeting in July 2022, approved to match fund the total donated by the University with a £20,000 donation from Association reserves. Added to this are funds raised by OUSET's JustGiving campaign and profits from the sale of 50th anniversary branded merchandise through the Association's online shop.

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. This represents value for money for the Trust, providing a wide range of expertise and time input from a variety of Association staff members.

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

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 Trust reported no funds in deficit during the year.

Reserves

The Trust brought forward total free reserves of £686,882. There were no restricted funds brought forward.

The Trust carries forward to 2022/23 a total of £1,010,363 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 Trust's work. This work will continue, ensuring the work of our Trust is publicised; that we monitor the effectiveness of the Trust's funding criteria, the new guidelines notes, and funding application forms, in delivering on the Trust's strategic aims.

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 well below the rate of inflation.

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 Trust 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, the maximum number of Trustees is eight.

Three of the Trustee positions are appointed by virtue of their position within the Open University Students Association (OUSA). These are the Vice President responsible for Administration, the Vice President responsible for Student Support and the Association's Chief Executive.

One further Trustee is nominated by the Vice Chancellor of the Open University.

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

The Trust may elect up to six Trustees to serve for a period of two years, unless otherwise determined by the Trustees in exceptional circumstances.

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 Trust 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, Board of Trustee meetings are held at least twice a year. During the pandemic, these have been held online and going forward, it is envisaged that meetings will either continue to be held online or in person with the option for Trustees to join online.

Related party relationships

The Open University Students Association was instrumental in establishing Ouset and supports the charity in its fundraising endeavours.

In 2021/22, £40,150 has been raised by the Students Association and pledged to Ouset as part of its 50th anniversary fundraising target.

Through the OU Students Shop, the Students' Association has continued to invite customers to make a voluntary donation to support the activities of Ouset. In 2021/22, donations from this source totalled £5,190.

In addition, Ouset also received donations totalling £392 from 1 Society (Commercial Awareness Society) on closure.

Risk management

The Trustees have a duty to identify and review the risks to which the Trust 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 Student Association's Operations Team and overseen by the Head of Operations on behalf of the Student Association's Senior Management Team.

Trustees have identified its principal risks as:

- The threat to financial sustainability from the erosion of reserves should expenditure 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.

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

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 2022/23 will be to implement Ouset's strategic plan, working with fundraising consultants to develop a fundraising strategy and identify other potential sources of funding.

Trustees will also take steps to promote Ouset's work to generate funds as well as to ensure the Trust is reaching all demographic groups who meet the funding criteria, so that we play our part in maximising access to and participation in higher education, for the benefit of the individual as well as wider society.

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 in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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:



Sarah Jones 15 Nov 2022 13:50:14 GMT (UTC +0)

.....
S Jones, Chair and Immediate Past President

Date: 15 November 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 2022 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 2022 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 the Trustees around actual and potential litigation and claims;
- Enquiry of entity staff in housing and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of the Trustees;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of 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 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. 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
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Date: 16 November 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 2022

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	3	492,181	492,181	121,451
Investments	4	289	289	111
Total income		492,470	492,470	121,562
Expenditure on:				
Charitable activities		168,989	168,989	179,383
Total expenditure		168,989	168,989	179,383
Net income/(expenditure)		323,481	323,481	(57,821)
Net movement in funds		323,481	323,481	(57,821)
Reconciliation of funds:				
Total funds brought forward		686,882	686,882	744,703
Net movement in funds		323,481	323,481	(57,821)
Total funds carried forward		1,010,363	1,010,363	686,882

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 2022

	Note		2022 £	2021 £
Current assets				
Debtors	9	237,699	122,487	
Cash at bank and in hand		795,406	590,282	
		<u>1,033,105</u>	<u>712,769</u>	
Creditors: amounts falling due within one year	10	(22,742)	(25,887)	
Net current assets			<u>1,010,363</u>	686,882
Total net assets			<u>1,010,363</u>	<u>686,882</u>
Charity funds				
Unrestricted funds	11		<u>1,010,363</u>	686,882
Total funds			<u>1,010,363</u>	<u>686,882</u>

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



Sarah Jones 15 Nov 2022 13:50:14 GMT (UTC +0)

.....
S Jones, Chair and Immediate Past President

Date: 15 November 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 2022**

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	205,124	(127,603)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	205,124	(127,603)
Cash and cash equivalents at the beginning of the year	590,282	717,885
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	795,406	590,282
	<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 2022

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 2022

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 2022**

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

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	49,486	49,486	17,571
Legacies	442,695	442,695	103,880
Total 2022	<u>492,181</u>	<u>492,181</u>	<u>121,451</u>
Total 2021	<u>121,451</u>	<u>121,451</u>	

4. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest received	289	289	111
Total 2021	<u>111</u>	<u>111</u>	

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5. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Grants	-	98,301	-	98,301	121,083
Direct costs	61,747	-	-	61,747	51,282
Governance costs	-	-	8,941	8,941	7,018
Total 2022	61,747	98,301	8,941	168,989	179,383
Total 2021	51,282	121,083	7,018	179,383	

Analysis of direct costs

	Direct costs 2022 £	Total funds 2022 £	Total funds 2021 £
Management charges	61,505	61,505	51,007
Card transaction charges	169	169	240
Data protection	35	35	34
Bank charges	38	38	1
Total 2022	61,747	61,747	51,282

Analysis of support costs

	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Governance costs	8,941	8,941	7,018

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Analysis of grants

	Grants to Individuals 2022 £	Total funds 2022 £	Total funds 2021 £
Grants	98,301	98,301	121,083
	<u> </u>	<u> </u>	
Total 2021	121,083	121,083	
	<u> </u>	<u> </u>	

7. Net income/(expenditure)

This is stated after charging:

	2022 £	2021 £
Auditor's remuneration - audit	6,000	5,280
	<u> </u>	<u> </u>

During the year, no Trustees received any remuneration (2021 - £NIL).

During the year, no Trustees received any benefits in kind (2021 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2021 - £NIL).

8. Staff costs

The Charity has no employees other than the Trustees, who did not receive any remuneration (2021 - £NIL).

9. Debtors

	2022 £	2021 £
Other debtors	35,340	4,948
Prepayments and accrued income	202,359	117,539
	<u> </u>	<u> </u>
	237,699	122,487
	<u> </u>	<u> </u>

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

10. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other creditors - grants payable	16,742	20,607
Accruals and deferred income	6,000	5,280
	<u>22,742</u>	<u>25,887</u>

11. Statement of funds

Statement of funds - current year

	Balance at 1 August 2021 £	Income £	Expenditure £	Balance at 31 July 2022 £
Unrestricted funds				
General funds	<u>686,882</u>	<u>492,470</u>	<u>(168,989)</u>	<u>1,010,363</u>

Statement of funds - prior year

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

	Unrestricted funds 2022 £	Total funds 2022 £
Current assets	1,033,105	1,033,105
Creditors due within one year	(22,742)	(22,742)
Total	1,010,363	1,010,363

Analysis of net assets between funds - prior year

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

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

	2022 £	2021 £
	-	-
Adjustments for:		
Net income / (expenditure) for the year (as per Statement of Financial Activities)	323,481	(57,821)
Increase in debtors	(115,212)	(70,611)
Increase/(decrease) in creditors	(3,145)	829
Net cash provided by/(used in) operating activities	205,124	(127,603)

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

14. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	795,406	590,282
Total cash and cash equivalents	795,406	590,282

15. Analysis of changes in net debt

	At 1 August 2021 £	Cash flows £	At 31 July 2022 £
Cash at bank and in hand	590,282	205,124	795,406
	590,282	205,124	795,406

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 (OU).

During the year administrative services were charged by OUSA, see below for details:

Charges from OUSA	2022	2021
Management charge	£61,505	£42,507
Recharges	£3,429	Nil

During the year donations were collected by OUSA, see below for details:

Funds from OUSA	2022	2021
50th fundraising	£35,150	Nil
Webstore donations	£5,190	£7,337
Society donation	£392	Nil

At the year end a balance of £35,340 (2021: £4,299) was receivable from OUSA.

17. Controlling party

The Trustees consider that there is no ultimate controlling party.