

Charity registration: 1063492
Company registration: 3401440

UNIPOL STUDENT HOMES

Annual Report and Group

Financial Statements

31 July 2021

UNIPOL STUDENT HOMES

ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS 2021

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UNIPOL STUDENT HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

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BOARD

The Board comprises the following representatives:

The University of Leeds

Mr Ian Robertson, Head of Residential Accommodation

Deputy Chair (Partnerships) of Unipol

Mr Christopher Warrington

Ms Catherine Cho

Contactable at University of Leeds, Leeds LS2 9JT

Leeds Beckett University

Ms Victoria Johnson

Ms Caroline Thomas

Contactable at Leeds Beckett University, Calverley Street, Leeds, LS1 3HE

Leeds University Union

Ms Charlotte Morton (resigned 30/06/2021)

Mr Jian Feng (resigned 30/06/2021)

Ms Bethany Eaton (appointed 01/07/2021)

Ms Nicole Jimenez Mogrovejo (appointed 01/07/2021)

Ms Hannah Brian

Contactable at Leeds University Union, PO Box 157, Leeds LS1 1UH.

Leeds Beckett University Students' Union

Ms Mpango Simwaka

Ms Anna Crooks (appointed 01/07/2021)

Ms Kay Rhoden-Campbell (resigned 30/06/2021)

Ms Jacqui Lawton

Contactable at Leeds Beckett University Students' Union, Calverley Street, Leeds LS1 3HE.

Bradford College

Vacant

Co-Opted Directors

Mr Michael Wilkinson (Chair of Unipol)

Mr Andrew William Welsh

Deputy Chair (Properties and Portfolio) of Unipol

Ms Meri Braziel

Mr Michael Lees

Ms Jennifer Share

Deputy Chair (Finance) of Unipol

Contactable at Unipol Student Homes, 155/157 Woodhouse Lane, Leeds, LS2 3ED

UNIPOL STUDENT HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)

Charity registration number	1063492
Company registration number	3401440
Registered address	155/157 Woodhouse Lane, Leeds, LS2 3ED

OFFICERS OF UNIPOL STUDENT HOMES

Mr M J Blakey	Chief Executive
Ms N Verity	Deputy Chief Executive
Ms C Rygalska	Director of Finance
Ms R Campey	Assistant Chief Executive – Housing Services
Ms N Brown	Assistant Chief Executive - Hub Services
Mr A Livesey	Assistant Chief Executive - IT and Communications
Ms V Tolmie-Loverseed	Assistant Chief Executive – Standards & Company Secretary
Mr A Vyse	Assistant Chief Executive - Developments

BANKERS

National Westminster Bank plc	Svenska Handelsbanken AB
Leeds Commercial Office	(publ)
4 th Floor	5 th Floor
2 Whitehall Quay	3 The Embankment
Leeds	Sovereign Street
LS1 4HR	Leeds
	LS1 4BJ

SOLICITORS

Lupton Fawcett Denison Till	Pinsents	Hatch Legal	Walker Morris
Stamford House	1 Park Row	12 Park House	33 Wellington Street
Piccadilly	Leeds	11 Park Row	Leeds
York	LS1 5AB	Leeds	LS1 4DL
YO1 9PP		LS1 5HB	

AUDITOR

BHP LLP
First Floor, Mayesbrook House
Lawnswood Business park
Redvers Close
Leeds
LS16 6QY

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

The annual report and the audited financial statements are for the year ended 31st July 2021 in the 46th year of operation of Unipol Student Homes as a registered charity (two years after it was founded initially as part of the University of Leeds in 1973). On 1st August 1997 Unipol was incorporated as a charitable company limited by guarantee. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Its current *Forward Look 2019-2022* was adopted by trustees in December 2018 and this sets out the main strategic direction of the organisation for the next three years and it makes sense to review the year with reference to the *Forward Look*. A copy of this can be found at <https://www.unipol.org.uk/footer/governance/corporate-documents-policies/forward-look-2019-2022> on Unipol's website.

Values

As part of the *Forward Look* review process Unipol's values were reviewed and updated and remain a touchstone for all of its current and forthcoming activities. Those values are:

To be trusted - as a source of help and advice to both students and landlords who want to rent and provide good quality student accommodation that contributes to a great student experience.

To be impartial experts - giving student consumers information and advice, based on 45 years' experience in the sector, which empowers them to make good housing choices and get the best deal available. Establishing, promoting and publicising best practice in student accommodation, encouraging innovation and cooperation between providers, institutions, local and national Government to work together to the benefit of student tenants.

To provide value for money - providing a first class service to our users which uses the latest technology to allow on-line global accessibility; recognising the importance of meeting differing students' needs and providing value for money and choice throughout the housing process.

To promote safety and wellbeing - setting and checking standards to make student accommodation as safe and secure as possible to give peace of mind to all concerned and providing a good quality living environment that is so important in the learning process.

To promote community - whilst promoting individuality the charity encourages positive attitudes to equality, cultural diversity and the internationalism inherent in undertaking study in higher education.

To be ethical - valuing our human resources, investing in training and sector expertise and ensuring we pay our employees the living wage. Providing information for our tenants on how to use less energy in a comfortable living environment and use local suppliers and trades wherever possible.

To be transparent and accountable - being answerable, as a charity to our Board of trustees and to our users and making the charity's agenda and operations as clear and open as possible.

These values are at the core of our actions.

Purposes, Activities and Public Benefit

The charity's objects are the advancement of education by providing and managing accommodation and related services for educational institutions, their students and other persons associated with educational institutions and to develop and foster excellence and expertise in this field. Students (and the institutions being supported) rate their living experience and the acquisition of life skills and personal development as a very important aspect of their overall education.

UNIPOL STUDENT HOMES

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Unipol was founded in Leeds by trustees with a vision of a charity offering dedicated expertise in student housing. From the outset the charity has worked nationally with education institutions and housing providers to give students better information and help on available housing options and to champion better housing standards which now takes place through local services based in Leeds, Nottingham and Bradford and nationally. Although Leeds continues to be a principal financial focus of the charity's activities, housing services in Nottingham continue to expand. The charity also operates on a national stage in respect of student-related housing regulation, legislation and policies and seeks to improve choice, affordability and standards in student housing.

There are four main strands to *Unipol's mission*. Unipol:

- has its own Housing Section which develops, takes into ownership and manages refurbished properties and lets them directly to students. Unipol is currently responsible for housing around 3,200 students (including over 210 student families) located in Leeds, 640 students in Nottingham and 59 students in Bradford.

- runs three Housing Hubs providing expertise to assist both students and landlords and operates a number of websites, which centralise private sector vacancies. Unipol's websites are a major source of information and advice for students and receive around 100 million hits a year

- runs a number of successful voluntary accreditation schemes (in Leeds, Nottingham and Bradford) and two Government Approved Codes of Practice dealing with larger student developments in the United Kingdom designed to maintain and improve property and management standards. Together these schemes cover an estimated 406,000 student bed spaces. In Leeds, Unipol runs the *Leeds Rental Standard* for the City Council (<http://www.leedsrentalstandard.org.uk/>) and in Nottingham (together with DASH - Decent and Safe Homes) runs the Nottingham Standard (<https://www.nottinghamcity.gov.uk/nottinghamstandard>).

- through its training arm, "Unipol Training" Unipol is the main national trainer in the niche market of student accommodation, running a full annual programme. The training arm also undertakes some bespoke in house training and a number of briefings for different constituencies. Unipol has in-house training facilities in both Nottingham and Leeds.

The Coronavirus Pandemic

The 2020-2021 year continued to be dominated by the Coronavirus pandemic that presented an enormous risk to public health and the economy and therefore to Unipol. Some 87% of the charity's funds comes from rent paid to it by students and this rental stream is central to the survival of the charity.

This financial year, as predicted in last year's report, has been dominated by the effects of the Coronavirus pandemic and although the vaccination programme has seen a lifting of restrictions, it is still likely to have some implications for the next financial year 2021-2022. This year's achievements and performance were affected by the pandemic across the whole year and it makes sense to report those at this stage.

Unipol had hoped that the year would see a relatively uninterrupted academic year and this assessment looked reasonable as Covid-19 cases fell across the summer of 2020. At the same time as students were returning to their accommodation in September 2020 Covid-19 cases dramatically increased and face-to-face teaching was effectively suspended for the whole year with only a small number of students being taught on-campus from January and the remainder of students being told by the Government to stay away from campus until May 2021.

Throughout the year students demonstrated their keenness to occupy their homes in their place of study and up to December 2020 occupancy was at near normal levels (excepting the non-arrival of international students because of travel difficulties and restrictions).

The fall in the number of international students able to come and study in the UK saw a significant reduction in accommodation demand in 2020-2021. Leeds saw an estimated overall reduction in demand by 5,224 bed spaces or an 11% reduction. In Nottingham there was a smaller overall reduction of 1,592 bed spaces, a 3% reduction. Bradford saw a 8% reduction in demand.

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There was a relatively small shift of undergraduate students who had originally planned to live away from home but decided to change their plans and commute. It was estimated that 500 students in Leeds and 600 students in Nottingham made this change.

In Unipol's own portfolio occupancy was always above national averages and above the occupancy figures being recorded by institutional and private sector PBSA. Both Leeds and Nottingham also saw students wanting to reside there and occupy their properties when possible. From late March most students, despite Government guidance to educational providers not to reopen, were again living, almost at normal levels of occupancy, in their student accommodation.

Unipol's family accommodation, and its family tenants (mainly international postgraduates) were badly affected by travel restrictions: many could not go home and many could not arrive. Occupancy, normally 97%, fell across summer 2020 to 70%, slowly recovering to 89% by June 2021. Unipol devised a case-by-case strategy to reassure its tenants that they would not become homeless and changed its letting conditions. It worked closely with the universities, particularly the University of Leeds, to ensure that students received proper financial and academic support and it set up a £10K immediate hardship fund to enable staff to take sensible and humane decisions about living arrangements quickly and without fuss.

The reduction in demand for accommodation had little direct effect on Unipol which was fully let in Leeds and Nottingham across 2020-2021 (with around 20 empty rooms in Bradford) but the public health restrictions had the potential to badly disrupt the letting season for 2021-2022 with in-person viewings being replaced by using virtual tours and images.

Fairness

In the *Forward Look 2019-2022* the charity acknowledged the importance of fairness saying:

"The concept of fairness has a renewed profile in the student community. Unipol has little power to address unfairness in the world at large, but it can ensure that its own actions are viewed as fair. Value for money in renting from Unipol must be seen through the lens of fairness. The charity needs to be transparent about what it is charging rent for."

This continued to remain a foundation stone upon which considerations were made.

Trustees wanted to be able to say that Unipol had treated tenants affected by the pandemic fairly whilst balancing this against forgoing contracted rent and limiting financial damage to the charity. Trustees concluded that this did not mean treating everyone the same. Nor did it mean the charity was doing as much as it might like but trustees would be able to say "we are doing the best we can" and convey that to tenants and other users. Unipol responded, as best it could, to the changing demands of its student tenants:

- it gave most of its shared-house tenants a 50% rent reduction across August and September
- it allowed around 70 students out of their contracts in September who had chosen to study at home and managed to relet almost all of those rooms with only limited income loss
- it gave an across the board £420 reduction in rent to its tenants in Mill Street and Sandhills paid in April 2021
- it provided a "Peace of Mind Promise" to students renting early in the year for 2021-2022 to enable them to change their mind up to April 2021 without penalty and extended this to international students to the end of July 2021
- it invited any special cases to apply for tenancy release and released 50 tenants at an additional cost of £164K.

Student Reaction and Views

In making what could be called "Covid adjustments" Unipol's trustees were fully involved and staff and trustees worked together to maintain Unipol's values and humanity in trying to deal with students fairly but within its means. One important touchstone, established in the previous year, was that Unipol, as a housing charity, did not link rent rebates to not living in the property: in other words the charity did not pay students to stay at home.

The charity aimed to be transparent to its users and increased its communications with both tenants, institutions and staff about what we were doing and why.

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It is worthy of note that in 2020-2021 (as in 2019-2020) not a single student lodged a complaint related to the pandemic with the charity, nor were there any negative review comments on *Rate Your Landlord*.

Research was undertaken in May-June seeking the views of 781 students and a *Report on House Hunting Behaviour in Leeds in 2021* <https://www.unipol.org.uk/news/survey-on-house-hunting-behaviour-2021> produced. This revealed a number of open text comments from Unipol's tenants:

- *"During the months June, July and August 2020 our landlord offered 50% reduced rate without being asked"*
- *"At the beginning of the year Unipol gave us 50% off the rent for two months and kept in contact with us about why they couldn't offer refunds as a charity. I am extremely happy with how that was all handled."*
- *"whilst living in Unipol Halls (One Mill Street) I was able to apply for some kind of rental bursary that I was emailed about and managed to have some payments covered."*

and this reputation was reflected in comments about future house hunting:

- *"Unipol being a charity have been fairly trustworthy this year"*
- *"Unipol are a well trusted organisation who have treated me well in first year"*
- *"Unipol offered a friendly and helpful service when signing for a student home and will be protective landlords"*
- *"Unipol are known to be trust worthy"*
- *"I'm with Unipol - they're your safest bet"*
- *"Unipol. It's trustworthy and seemed more likeable for students."*
- *"Unipol because they are so helpful and have students' welfare at the heart of their company"*
- *"Unipol because their prices were affordable, bills included and there was a communal space."*

Running the Government approved National Codes meant Unipol was consulted by Government and the educational sector to offer policy advice and assistance on what accommodation providers could do to respond to the pandemic. Local landlords also saw Unipol as an important source of information and advice. Unipol also was asked to provide national information on occupancy by the Office of National Statistics and Public Health England and worked with the Cabinet Office to improve health and guidance messaging to students.

Further information on the financial approach and the effects of the pandemic on the charity are reported later.

The Unipol Mission

Because Unipol's own housing portfolio is so central to the activities of the charity, it is worth dwelling on how Unipol's values translate into *Housing Values* as a provider.

Unipol's stock has been acquired and shaped to meet the diverse needs of the student population. Unipol offers housing to all kind of students: undergraduates, postgraduates, international and UK students, first-years and returners, students under 18, couples, students with dependents and students with additional needs.

Unipol offers the best deal possible to its tenants as a not for profit provider:

- there are no fees or hidden charges
- deposits are kept low and are being lowered year-on-year
- students over the age of 18 are not asked to provide guarantors
- each student tenant gets an individual tenancy agreement, removing their liability for the acts or omissions of their co-tenants
- housing revenue goes to support investment in higher-quality properties and helps subsidise the advice and standards mission
- investment continues to improve the sustainability of properties with better infrastructure
- tenants get detailed information on their energy use and responsible energy use is incentivised
- where possible local traders are used to provide services and improve buildings.

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Unipol aims to give tenants a great housing experience, providing good value, promoting social/academic interaction and high-quality housing - a Unipol property should be a home from home.

Helping Students to Make the Best Decisions about their Housing

Unipol empowers consumers by providing accurate, transparent and comparable information, together with help and support to build both the knowledge and confidence to assist them in negotiating the housing market within which they operate and helping them decide what to rent.

With the exception of two weeks in March 2020, Unipol never closed its offices and has continued its services to its customers either on-line or in-person through those offices. Unipol also runs a number of successful web-based services in order to assist both students and landlords. The Housing Hubs continued to give good advice and provide relevant information to both students and landlords alike:

- users visiting Unipol.org.uk were up 7% in 2020-2021 academic year and this followed on from a 40% increase in 2019-2020
- there were 42,531 users visiting the housing site between September and December 2020 which was 76% more than the same period in 2019
- the blog had a 13% increase in users compared to the same period in 2019
- usage of web chat was up 86%.

The *Rate Your Landlord* project <https://www.rateyourlandlord.org.uk/> saw the target of harvesting a minimum of 1,000 new reviews being met with 1,096 reviews being acquired, no mean feat considering house-hunting virtually stopped between March and June. 3,850 reviews were therefore available under the service for 2020-2021. During the year 25,034 reviews were consulted, down from 25,034 in the previous year, reflecting a slower house-hunting process with around 15% of students waiting to rent in August and September rather than committing earlier.

The National Code website saw 48,086 users compared to 64,189 over the previous year (although that year had seen a 234% increase in use) reflecting a lower level of advice from the Government relating to the coronavirus pandemic.

All of these websites are free to access and, although income from landlord advertising continues to decline, usage of all the sites has held up well reflecting Unipol's role as a source of trusted information and advice to both landlords and students during a year of unpredictable change.

Improving Standards

Accreditation is an important vehicle for improving standards. It is about persuading suppliers voluntarily to meet higher than regulatory standards, based on reasonable consumer expectations.

Unipol is a founder member of the accreditation movement and has designed and operates several Unipol Codes, which share a common core of standards. There are Codes geared to the specific housing and market conditions where Unipol works and there are two National Codes. Robust verification procedures are used to ensure Code compliance. The Codes offer accountability through a complaints system and dispute resolution through an independent Tribunal system. Three-yearly reviews, including broad consultation, ensure regular updating.

In Leeds a new Code was introduced and in its first year of operation covered 9,158 bed spaces: membership is on track to continue to grow to over 13,000 during the next two years. In Nottingham the Code covered 5,977 bed spaces, just moving into the second year of its three year cycle. In Bradford the Code covered 259 tenants.

The National Codes, which Members join annually, accredits 365,029 bed spaces (up from 338,190 in the previous year) and covers 2,179 developments in 94 different locations throughout the UK.

Importing its Values into Leading and Assisting the Student Accommodation Sector to Evolve and Improve

Unipol has continued to play a significant role in assisting both the Department for Education (DfE) and the Ministry of Housing, Communities and Local Government (MHCLG) with planning and guidance issued in the area of student accommodation and have held regular meetings with both ministries.

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The Chief Executive attended the UUK Roundtable dealing with student accommodation and also was invited on to the Ministerial Task Group (chaired by the Minister of State for Higher Education) when it was discussing accommodation-related issues.

Over the summer (on August 6th), a report was produced through the *Higher Education Policy Institute* (HEPI) written by Sarah Jones and the Chief Executive called *Student Accommodation: The Facts* <https://www.hepi.ac.uk/2020/08/06/student-accommodation-the-facts/> which called for a new approach on the affordability, regulation and cost of student accommodation and was well-received.

Unipol has also issued several national reports: *Late Buildings and the Improvements Made* <https://www.nationalcode.org/news/new-and-late-buildings-2020-overview> *House Hunting Behaviour in Leeds in 2021* <https://www.unipol.org.uk/news/survey-on-house-hunting-behaviour-2021> and the Chief Executive wrote a blog for the Higher Education Policy Institute during the year <https://www.hepi.ac.uk/2020/12/04/home-sweet-home-so-long-as-someone-else-is-there/> Unipol also commissioned a report on *International Students and Factors Affecting Accommodation in the UK* <https://www.nationalcode.org/news/report-international-students-and-factors-affecting-accommodation-in-the-uk>

Unipol has also undertaken considerable work on *Student Income and Expenditure* in the context of housing affordability which is awaiting publication and worked on the opening stages of the *Unipol NUS Accommodation Cost Survey*, providing a data-based survey of purpose built student accommodation in the UK. The survey report will be launched in December 2021.

Unipol has responded to a number of Government consultations seeking to address a number of issues identified by Ministers particularly the post-Grenfell *Building Safety Bill* and *rights of redress, post-qualification admissions* (PQA) and the *Renters Reform Bill*. Unipol has also responded to a number of Local Authority consultations relating to licensing of properties. Unipol have stressed that student tenants have special needs and must be treated as a special tenant group.

Unipol's training role <https://www.unipol.org.uk/training-and-events/all> has been curtailed by the current Coronavirus restrictions ending face-to-face events in February 2020. Following the return to the "new normal" a series of free virtual events branded under the *UK Student Accommodation Forum* banner were held with 26 Forums attracting 1,181 delegates. Unipol is particularly grateful to *CRM Students* for continuing their sponsorship throughout this year which has helped make these events possible.

Strategic Report and Achievements and Performance - The 2020-2021 Year

Strategic Report In accordance with section 414c (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has prepared a Strategic Report which includes information that would have previously been included in the Trustees' Report. The Trustees authorise both the Strategic Report and the Trustees' Report.

Overview

It may be useful to have an overview of the charity's turnover and income across the previous five years (2017-2021). 2017-2018 saw an 8% rise in turnover on the previous year excluding the gift of Dyers Court in 2017, followed in 2018-2019 by a further 8.2% rise, both of these increases being attributable to a growing small house leased portfolio. 2019-2020 saw a year of consolidation with slower growth of 3.2% and 2020-2021 saw the addition of Sandhills (in Nottingham) to the portfolio but also the temporary loss (until 2023) of Carlton Hill with a net effect of 12.1% growth.

These figures have been impacted by the net cost of rebates during the pandemic in 2019-2020 (of £555K or 4.8%) and 2020-2021 (of £497K or 3.8%).

The charity moved into deficit in 2019-2020 of -£169,818, the first deficit recorded by the charity since 1988 but has recovered in 2020-2021 with a surplus of £339,782 including the sale of two properties yielding a gain on disposal of £257,822.

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The future growth of Unipol will depend upon the renewal and extension of leasehold assets, new leasehold commitments within the PBSA arena and acquisitions and maintaining a strong lettings record and underwrite relationship with educational institutions.

The Financial Framework

87% of the charity's funds come from rent paid to it by students and this rental stream is central to the survival of the charity. This was the second year both revenue and operations have been negatively affected by the pandemic, which may also affect a third academic year (2021-2022).

The charity can sustain the reduction in real term funding from other sources so long as its housing operation continues to operate successfully and voids are minimal. Housing continues to bear an increasing proportion of the charity's operational overheads and, looking forward, it is vital that rental revenue meets the overhead and operational expenditure required.

The National Codes also now make a significant contribution to the organisation's output and overheads. The revenue from the National Code is currently around £581K and the Code makes an increasingly significant contribution to both the charity's mission and overheads.

This is against a backdrop where the charity's more traditional income from its Housing Hubs are all contracting and will continue to contract and where there may be reticence on the part of funding partners to continue contributions at their current (or increased) level. It is of note that although Covid-19 has re-emphasised the importance of the household and the residential experience, future funding for services (particularly in the off-street market where 50% of students live) may be restricted. The level of funding required to run a good service to students through the housing hubs is brought into sharper focus by the rising cost of those services with a £193,393 deficit being run in 2020-2021 (2019-2020: -£151,472), even after overheads have been spread across an expanding number of services.

The provision of family housing has always been a high priority for the charity, but both 2019-2020 and 2020-2021 is seeing the *Forward Look* conclusions being actioned which is seeing the subsidy to family housing being reduced. Generally, family housing is being upgraded to a higher product level with greater inclusivity of costs and higher rents.

Operations during 2020-2021

Operationally, the year went well and can be summarised as:

Housing Hubs

As has been previously mentioned, the housing hubs were seen by students and landlords as an important central resource in finding out how to respond to the pandemic and how to find housing for the following year when lockdown was in force. It would be easy to forget some achievements that are, in themselves, highly significant and important building blocks for Unipol's on-going services:

- Unipol's *Homestay* arrangement was expanded for a further three years with the University of Leeds.
- *virtual viewings* were implemented to allow viewing of individual properties on video and will remain an additional resource for students going forward.
- arrangements were confirmed with the *University of Bradford* to run the Unipol service there for a further 5 years with revamped funding
- the four *Leeds founding partners* all agreed to roll forward their subventions for 2021-2022 without dissent
- the five year *Rate Your Landlord* partnership with Leeds University Union was renewed for a further five years
- additional on-line help was made available to help students to rent houses where the pandemic had given them only limited chances to meet others, allowing networking and successful renting.

The link with Bradford College has continued to be weak following a downsizing of the College and significant staff turnaround and the College has still failed to take up its nominated trusteeship on the Board. Now the arrangements with Bradford University are finalised, Unipol will turn its attention to redefining this relationship.

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Unipol Housing

In Leeds Unipol directly let £5,434K of properties over the year compared with £5,340K in 2019-2020, an overall increase of 3%. In Nottingham Unipol let £1,719K of properties over the year compared with £1,482K in 2019-2020 an increase of 16%.

In Bradford Unipol let only 34 of its 59 rooms raising only £157K of the £224K rent that would have come from a fully let building. By the end of the year the actual loss of rental income was £67K. This disappointing outcome came from a mixture of reduced intake at both the University and College, coupled with the non-arrival of international students together with a heavy over-supply of student accommodation in the City.

Overall this was still a strong lettings performance even when compared with the previous year's strong lettings performance. Unipol was a relatively resilient provider because it was not heavily dependent upon newly arriving international students or new undergraduates (where the institutions tend to bear that risk within underwrite agreements).

Sandhills

Sandhills, a new development in Nottingham, came on line in September 2020 and houses 330 students, mainly NTU undergraduates. The development was built during the teeth of the 2020 Covid storm. This is also the first major building Unipol had leased and partnered with a developer since 2004.

The building's design aimed to reflect all that Unipol wanted to import into a modern and affordable student residence based on promoting sociability and improving well-being. The building's design is a great success and the vast majority of rooms were allocated and underwritten by Nottingham Trent University meaning the building had full occupancy from the first day of operation.

After a year of operation it can be concluded that the in-flat communal areas work as intended, the outside space has been vital during the pandemic and the large communal lounge and workspaces have sustained periods of student self-isolation and have been at the centre of those residents' lives.

In this year, Sandhills has also made a significant financial contribution to the charity producing a "one-off" significant surplus.

The balance between underwritten arrangements with institutions and direct let properties (where Unipol bears the risk of voids) has increased slightly to 51% underwritten and 49% direct let from 50% underwritten and direct let. There were no significant shifts in institutional underwrite agreements except the new agreement with Nottingham Trent University.

Mill Street

Post Grenfell further information was required on the construction of the building (particularly the cladding system) to ensure it complied with MHCLG guidance and this required a survey to be undertaken. The outcome of this process was the completion of Certificate EWS1, which says the building is properly constructed and that the fire precautions within the building are in line with its original risk level.

It is pleasing to report that, following a number of independent and thorough surveys, the building has been satisfactorily constructed and is being properly run and maintained. Unipol has now received a Certificate EWS1, a new cause and effect document on the fire detection system and has completed a new FRA in the light of these findings. The fact that no remediation work is required is reassuring in respect of the charity's concern for the safety of its tenants and has removed a significant potential financial risk to Unipol.

Tenant Satisfaction

Unipol regrettably suspended its two planned *Tenant Satisfaction Surveys* (shared students and families) and this continuous data set has now been broken by a year but resources simply were not available to either undertake or assess any information that might have been harvested. Both surveys are being run in 2021-2022. Unipol can, however, take comfort from its *Rate Your Landlord* rating rising in September 2021 from 4.1 to 4.4 from 215 reviews on 117 properties. *The University of Leeds Satisfaction Survey* also ran in 2021 and Unipol's complex at *Royal Park Flats* performed well across all ratings in that survey.

Despite the financial uncertainty and additional work caused by the pandemic, the charity has continued its increased investment in wellbeing and mental health and:

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- appointed a second *Tenancy Support Coordinator* and now has three staff fully trained (and able to train others) in *Mental Health First Aid*
- expanded its Residents' Assistants team (to 25) and ensuring it truly represents the diversity of Unipol's tenants
- restructured its Residents Assistant support and how it undertook social activities (both on-line and, when permitted, actually) and increasing its social events and *ResLife* building this into the recently reviewed communications area
- appointed a new *Delivery Officer* who is concentrating on driving the sustainability agenda through 2021-2022.

Unipol has continued to invest in its portfolio and undertake refurbishment works, despite the restrictions imposed because of the pandemic. It has also suffered from the larger national problems relating to delivery delays, shortage of skilled contractors and fluctuating and rising prices for work. In this regard, Unipol's reliance on local contractors has stood it in good stead as their supply and labour issues have tended to be more resilient than the national larger contractors. Overall, Unipol spent £1,148K slightly more than the £920K spent in 2019-20 but considerably less than a more normal year.

The programme of works this year is essentially completing previous programmes identified and keeping up to date with the portfolio.

At *Alexander Court* the building was upgraded for the opening year of a new 25 year lease. The programme to refit *Dyers Court* for family use saw 12 out of the 18 flats being fully refurbished.

At *Shay Street/Holborn Terrace*, as some of the flats were empty, a rolling refurbishment of flats was started using the development's full sinking fund allocation for this purpose.

At *Woodsley Terrace* the 32 bathroom refurbishments were completed and at Mill Street the kitchen refurbishment works that were suspended in April 2020 restarted in June 2021

Turning to smaller off-street houses, Unipol's planned acquisitions were frozen in March 2020 to protect cash-flow and future borrowing capacity should that be necessary with planned debt repayment continuing. Only one property was acquired during the year 92 *Lenton Boulevard* in Nottingham which had a full refurbishment across summer 2021.

A number of other small house refurbishments also took place over the year including 250 *Cardigan Road*, 172 *Burley Road* and 23a *Hanover Square*.

Accreditation and the National Code

The year saw a review of standards in the Leeds Code with a new Code coming into effect. Funding towards the Leeds and Nottingham Codes was again obtained from both Nottingham City Council and Leeds City Council in difficult financial times for them.

During the year the National Code for private providers underwent a full revision, with a public consultation and the final draft now awaits approval from the Department for Levelling Up, Housing and Communities (previously MHCLG) and Parliament and is expected to come fully into force in January 2021.

The National Codes have increased in both profile and importance over the pandemic and the complaints systems has been used to more effect. Regular statistics on complaints received and processed are now available at <https://www.nationalcode.org/complaints-data> The National Codes have also continued to work on late construction issues, ensuring that students who may be affected receive timely and effective communications about any problems and also that they obtain compensation when things are not going according to plan.

Throughout the pandemic student accommodation has, in the main, been occupied and all systems operated by accommodation suppliers have continued to run and have had to absorb the frequent changes in Government Guidance whilst trying to ensure tenants have the best possible experience in difficult circumstances. The National Code has played its part in trying to help those in the sector do the right thing despite the financial and operational difficulties encountered.

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Unipol has worked closely with both the National Union of Students (NUS) and the British Property Federation (BPF) on a number of National Code initiatives and values their support and involvement.

Risk, Unipol's Forward Strategy and Going Concern

Unipol's financial, development and Covid-19 strategy for 2020-2022 was:

- to make use of Unipol's role as a central and engaged national player to gain high quality intelligence and use this to assess how students are likely to react to the pandemic
- to obtain good intelligence about the plans the educational institutions (whose students Unipol houses) were developing and use this to identify and mitigate risk
- to maintain an investment programme so that future lettings were not compromised and refurbishment capacity was not lost: this flow of work also improved contractor loyalty and service
- to reduce the acquisitions process until the forward year was clearer and to maintain flexibility on future capital spend
- to take advantage of furloughing wherever possible but also to determine where future staff economies could be achieved and where additional human resources would be important (because Unipol's services were fully up and running, furloughing was not used in 2020-2021)
- to define actual and known risk as closely as possible.

This strategy has been successfully followed. In relation to the *Forward Look* Unipol has stuck to its *Forward Look* plan. It has dealt with Covid-19 as an operational, rather than a strategic, matter. The strategic approach will come in the next *Forward Look*.

It is worth reflecting that over the last year, and perhaps over the three years the pandemic will run, Unipol has been relatively resilient. As it has expanded it has:

- sought to share risk with the educational institutions through underwrite agreements. This stood it in good stead at *Mill Street* and with the *University of Leeds* at *Grayson Heights*, *Royal Park Flats* and most family accommodation. Without that cover income loss would have been much more significant
- always maintained balance within its portfolio to ensure risk was spread across different user groups. First year students were more badly affected than returning students. International no-shows were much more significant than home student fall-out. By spreading the risk, although Unipol picked up a share of pain, the danger areas represented only a small proportion of the overall activities of the charity
- over the last decade, given cash flow a high priority. Unipol was able to put a £750K Covid loan in place within a matter of days in March 2020. It was able to assure itself that, given a number of serious scenarios, it could sustain a loss of income across a significant period of time and remain operational and solvent. In the 2021-2022 academic year, it also initially allowed for £0.5 million of additional voids, if lettings turned out to be badly affected.
- cut back on expenditure, saving £87K on staffing by delaying or postponing appointments. It reduced major works reserve expenditure, contributing £329K in 2020-2021 but spending only £90K.
- always seen Unipol's owned property holdings as provided an important reserve that could be liquidated if additional funds were required in hard times. In order to ease cash flow and counter-balance rent refunds the charity sold two properties designed to improve cash flow by £475K and add £215K to Unipol's bottom line, In 2021-2022 it will sell a further property adding a further £280K to cash flow and £249K to Unipol's bottom line.

These aspects of the charity's structure and risk management have been built, over a number of years, into the very DNA of Unipol and have enabled it to sustain two very difficult years and lay down some reserves if a third year is also difficult.

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It is not good news to "sell the family silver" but by throttling back some expenditure and liquidating three houses (housing 11 students) this has enabled the charity to continue to invest and grow so that imposed financial stringency has not compromised its mission, its values and its property standards going forward.

Lettings Risk in 2021-2022

Although the outcome of Unipol's lettings does not fall within the 2020-2021 financial year, the actual lettings process does and is vital to the ongoing viability of the charity. Although Unipol had a certain resilience by having student tenant groups across all types of students, the public health restrictions had the potential to badly disrupt the letting season for 2021-2022 with in-person viewings being replaced by the use of virtual tours and images.

The house-hunting season started off in the teeth of increasing restrictions to stop the spread of the Covid-19 virus with students being restricted to their households, often self-isolating, the close down of public entertainment venues and most hospitality and the virtual closure of universities with blended learning being replaced by on-line teaching. Unsurprisingly, the season got off to a slower start but by March Unipol's letting activity was down by only 11% in Leeds, in Nottingham it was up 3% and in Bradford lettings were similar to the depressed activity in 2020-2021. By June 2021 Leeds was only 3% behind a normal year, Nottingham was level with last year and Bradford continued to follow the previous year's letting pattern.

In addition to this, Unipol was bringing on-line a new building *Oak House* which was designed for taught postgraduate students, most of which were international students. It is pleasing to report that the charity has battled through these risks and by early September *Oak House* was fully let, and at the end of October only one bed space at Bradford remains.

This letting position was achieved giving students the flexibility to leave their arrangements if circumstances changed and Unipol's future tenants had sufficient trust in the organisation to rent houses and rooms entirely on-line, without the prospect of an actual viewing.

Financial Review

The Charity's bottom line for 2020-2021 shows a surplus of £339,782. This reflects an operational loss before the sale of two properties and transfer to the major works reserve of -£157K (which includes Covid rent rebates amounting to £496,750 and depressed income caused by releasing a higher number of tenants from their contracts than would be normal). The net gain on the two property disposals was £257,882.

The major works reserve has also strengthened with expenditure being £239,242 lower than the contribution for the year. The Charity has total reserves of £5,396,759 (2020: £5,056,977).

Unipol now holds £4,557,964 (2020: £4,457,424) of its unrestricted reserves in an undesignated form to offset cash demands within the organisation. The trustees and management considered the funding arrangements of the charity during the year and continue to operate an overdraft arrangement for working capital requirements. Significant investment in the Charity's own assets and longer term lease properties continues by means of ring-fenced loan funding.

Charities of this type, which are fixed asset rich and generate significant rental income on a monthly basis, often have net current liabilities and consequently negative free reserves. The charity has net current liabilities of £3,794K (2020: £3,633K) and is in a negative free reserves position, however; as part of management's going concern assessment it has produced cash flow forecasts that show adequate funding for the future, including the next 12 months. It is the Charity's intention to continue to improve its unrestricted reserves and reduce its net current liabilities over the medium term.

Unipol's fixed assets decreased by £174,854 in the year from £14,353,110 (2020) to £14,178,256.

Policy on Reserves

The charity has no free reserves as its' asset base is property and is not revalued for accounting purposes. Properties are maintained to a high standard which together with a range of banking facilities and underwrites enables the Charity to raise finance in times of need and reduce or defer expenditure if appropriate.

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The Charity will continue to accumulate its unrestricted funds to improve cash flow whilst investing in property to provide a strong and growing asset and reserves base (if liquidated) for the charity. The level of reserves required is likely to fall within a range of £5,250K and £5,750K over the medium term.

It is important to note that the year has absorbed a number of development risks and one-off legal costs as part of preparing for the addition of new purpose-built developments planned between 2021-2023 whilst continuing to invest in its own assets and communications and IT systems (primarily software and expert software support) to provide for better data management and the maintenance and development of a strong platform for housing management, lettings and revenue generation expansion.

Future Plans

Finance

The previous two years have seen a significant increase in financial management with rental refunds having to be processed, tenants released, rooms re-let more frequently and increased on-going financial planning having to factor in risk possibilities that might cause revenue to falter. Unipol has also borrowed funding, both in the context of its Covid loan and for on-going investment and the loan portfolio has been restructured in readiness for the ending of LIBOR on 31st December. Throughout this period financial management has been good and the outcome of the loan review has been to return greater flexibility to resources that the charity can call upon to forward its mission.

Greater regulation continued to add to the financial administrative burden and much of the year was spent seeking to comply with Client Money Protection requirements where the few schemes that were not specifically geared to estate agents raised a number of seemingly unrelated issues on rights to redress, ring-fenced client accounts, money laundering requirements and the role of HMRC regulation. After a great deal of work, these issues are now close to resolution.

The pandemic has highlighted the need for robust, agile systems and has seen greater investment and an acceleration in the improvement of IT systems within companies globally. Recognising the importance of reviewing and updating systems is now an essential activity for the finance teams and the team has been restructured to enable the Finance Manager to concentrate more on these aspects.

A move to *Business Central 365* was undertaken and went live in August 2021. Unipol was ahead of the curve in many respects including adopting a Document Management System for processing invoices in 2016. A major rewrite was undertaken in 2020 that went live in 2021. In the coming year further efficiencies should be gained by linking the system more closely to the housing management software StarRez.

HMRC introduced the first phase of its digital tax initiative *Making Tax Digital* in April 2019. This is particularly challenging for charities and other businesses that operate partial exemption methods whereby only a fraction of VAT can be reclaimed that can vary between areas of the business. Unipol's financial software system's provider *Azzure* have now written an extension for the system to manage this and this extension is now fully working and in place and will enable VAT reporting to be utilised more fully within the finance system.

In 2021-2022 a new payment platform is being developed to come online in time for lettings for 2022-2023 and will continue the development and integration of the StarRez housing system to finance activities. Unipol's approach to StarRez and the finance system by keeping them inline has meant that tenants utilise the StarRez student portal more fully for financial as well as housing information providing a seamless, transparent service.

The 2021-2022 budget

The budget strategy for 2021-2022 has been based on an uninterrupted academic year taking place but has built into the budget some contingencies should student arrivals be affected by travel restrictions or the lettings market is again disrupted.

An allowance for a 3% staffing cost increase consisting of a cost of living increase together with an increase in employer's pension contributions from September 2021 in relation to USS has been made. A further £100K contingency has been allowed for and the staffing budget has absorbed the increase in lower wages to the Living Wage level.

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The budget provided for sinking fund provisions of £396K up from £329K in 2020-2021 which should see the fund reach over £1m.

A rental void provision has been made of £309K to cover shortfalls in letting or discounting rents if needed and a bad debt provision of £43K has been made.

2021-2022 will see relatively modest rental increases with actual rental revenue increasing by around 2.5% on 2020-2021. Trustees decided that there would be no attempt to "claw back" previous rent refunds by increasing existing student rents more than they would otherwise have risen

On this basis, the budget is planning for a surplus of £175,739 across the year.

In 2021-2022 some off-street 52 week lettings have been reduced to 51 weeks. The pandemic had implications for tenant-turnaround and cleaning and caused a re-think about the length of lettings. For 2021-2022, an experimental 325 bed spaces are covered by an offer to have a 51 week letting rather than a 52 week letting and 41% of tenants preferred the 51 week letting period. The loss of a week's income has been absorbed within the rental line.

Oak House is now fully let but uncertainty relating to the international student market will mean that Unipol will need to re-let this for a second year, without any up-front underwrite from an institution (although the University of Leeds helpfully underwrote the 66 available rooms in July 2021 for their first year undergraduates and will probably do the same later in the year unless there is serious disruption).

The Fire Safety Bill - will have specific implications for staffing over the next two years as higher rise buildings will come under a much more rigorous health and safety system.

It is necessary to agree on funding arrangements for the Leeds Hub in respect of the normal four year funding pattern (2022-2026) and this will take place over January and February 2022 with decisions being reached by all parties in April 2022. Likewise, the funding agreement with *Nottingham City Council* is renewed annually. The budget assumes funding continues at a flat lined level of £39,100 placed entirely in the Nottingham Code budget.

In the light of difficult lettings at *Doris Birdsall Hall* and a declining partnership with Bradford College discussions will be held with the College on any arrangements beyond 2023.

Property Based Developments

The 2021-2022 year will see a fairly low level of activity with no substantial new building coming on line over summer 2022. Some on-going works will be completed at *Woodsley Terrace* and *Dyers Court* and four off-street houses will be refurbished. The main focus of attention will be on maintaining quality control and improving areas related to climate change, wellbeing and mental health. There will also be considerable preparation for 2023.

2022-2023 sits between the enhanced development activity that is taking place in 2021-2022 and is just before what will be a significant expansion in 2023-2024 of housing stock in both Leeds and Nottingham. The letting and management arrangements relating to *New York Buildings*, *Grayson Heights*, *Argie Avenue Phase 2* and *Shay Street/Holborn Terrace* come to an end in 2023. 2021-2022 and 2022-2023, will therefore be one of preparation for finalising the renewing or shedding of those arrangements.

In 2022 there will be decisions to be taken about the transitioning of *Grayson Heights* from part shared student housing to being entirely a family development - hopefully underwritten by the University of Leeds. This transition will see Unipol taking a significant financial hit in the last year of the *Grayson Heights Lease/Management Agreement* in 2022-2023 as the University of Leeds underwrite ends in September 2022. It is likely that in this final year *Grayson Heights* will record a significant deficit of around £150K which will need to be absorbed into Unipol's cost base.

One significant development is that 2022-2023 will see the ending of deposits for shared student and couple housing. This will be a further example of Unipol leading the way in tenant-friendly letting.

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Assuming no further Covid-related disruption, Unipol will need to re-start its acquisitions programme in Nottingham if it is to continue maintaining a balance in its portfolio and should look to invest £2m in that venture across an 18 month period ending in July 2023.

There are two major developments either on-site or about to be on-site, both of which will come on line in summer 2023.

Carlton Hill, Leeds

The 604 bed spaces in this new development is being underwritten by the University of Leeds for a significant period of time. Carlton Hill has been designed around a particular mid-range price point for first year undergraduate students and seeks to maximise social opportunity and wellbeing. It will have good internal lounges as well as several communal areas, including two roof terraces, where students will be encouraged to meet and interact. The next few months will see the underwrite agreement being finalised.

Ilkeston Road, Nottingham

Heads of Terms have just been agreed on this building with the Agreement to Lease and Lease still being worked on. This is a smaller building with 155 bed spaces and is part new-build and part restoration of an Edwardian School building. The development is geared primarily towards returning home undergraduates looking for a purpose built alternative in the popular off-street area of Lenton. The rooms vary in size and the building is designed to have a distinctive communal feel. This is part of ensuring that, as the Nottingham portfolio develops, it (like that in Leeds) caters to a complete cross-section of students wanting to live in Nottingham.

This development will also increase the number of students Unipol houses to 619 as the charity creeps closer to its *Forward Look* target of 1,000.

The Student Hideout

Unipol has managed this 88 bed development for five years and is considering whether it wishes to lease the building, located in a prime spot in Market Square for 20-25 years. Discussions are on-going and a conclusion will be reached in early 2022 with any arrangement starting in summer 2022.

Social Activity, Mental Health and Wellbeing

As part of increasing its social support, Unipol will tighten its branding and conceptualisation of its *ResLife* programme. From the beginning of September 2021 tenancies, all of Unipol's Tenant Socials and Support and Wellbeing projects will be branded as the *U Experience* and all events and activities will fit under the following pillars:

- U are supported
- U are connected
- U are equipped.

Communications and IT

The IT function was reviewed across 2020-2021. The area of IT is a constant source of change and innovation and Unipol is a complex organisation with wide and variegated IT needs.

The initial review was framed as a binary choice of whether Unipol should keep and develop its expertise in-house or whether more support and development should be outsourced. Closer examination found that Unipol was using its IT team more effectively at the same time as buying in specialist help to build new systems. It was also clear that security and server management needed a senior specialist staff input and that it was important to ensure that all of Unipol's complex systems could talk to each other and that this still required a dedicated in-house function.

Over the year there were two important developments that resulted in improved working within this team. Firstly, the shift of the communications function into the team the previous year helped to sharpen the purpose and role of the IT staff within the charity and secondly, the importance of Unipol responding rapidly to providing new technology for staff to work at home during the pandemic created a much closer relationship between operational IT staff and individual members of staff and reinforced the advantages of having in-house services that could offer bespoke services that were responsive to organisational needs.

A whole raft of technological change has been, and is, on-going:

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- migrating further functions to the Cloud
- the introduction of a new email system
- the updating of the finance system *Azure*
- the introduction of a new payment platform
- refreshing of the Unipol main website.

Structure, Government and Management

Structure

The charity is governed by a Board of Directors (who are also the trustees) 13 of whom are nominated by the five member institutions (the University of Leeds, Leeds Beckett University, Leeds Beckett University Students' Union, Leeds University Union and Bradford College). The Board can co-opt up to 6 further trustees and currently there are five co-opted trustees.

In relation to age and gender Unipol has a diverse Board with four trustee aged between 18-24 and more female members than male. The Board's overall role in accountability and governance of the charity is assisted by a number of Committees and from time to time the Board establishes specific working groups or project groups to consider more detailed policy options open to them.

Governance - The Board

The Board met 6 times during the year, with two single-agenda items looking at the continuing response to the coronavirus pandemic and a detailed consideration of risk. The normal annual meeting to visit a selection of Unipol properties was not possible, nor was it possible to show incoming trustees properties as part of their induction.

All meetings were held on Zoom and some student trustees therefore never actually met each other and virtual meetings are problematic in widening connectivity and familiarisation for new trustees.

The Board maintains a number of systems to ensure the maintenance and development of its effectiveness, including ensuring regular attendance at Board meetings and Committee meetings. Attendance of Trustees at Board meetings is monitored and reported on Unipol's website. Attendance at meetings for the Board remains high: <https://www.unipol.org.uk/footer/governance/the-board/unipol-board-attendance>

The Board places a high value on the processes for the recruitment and induction of trustees by stressing the individual aspect of becoming a trustee and giving adequate time and energy to being a trustee. All trustees, on appointment, receive a substantial pack of information about the charity, including key policy and procedure documents, information about the powers of the Board, and how those powers are exercised, the details of the devolution of specific responsibilities to Officers of the Board, the Chief Executive and senior staff members. The Company Secretary is available to deal with any specific issues relating to this pack and trustees confirm to the Board at the first available opportunity that they have read and understood the material sent to them.

All trustees also receive a full day's dedicated induction. The day consists of an opportunity to meet the senior management team, talk with the Chief Executive and take part in an induction presentation that outlines the financial and administrative structure of the charity. In addition to the internal induction, a dedicated training day facilitated by NCVO took place on *How to Be an Effective Trustee*.

This year the trustee review process was reviewed with an external consultant undertaking the reviews. This process was evaluated by the Group on Governance who concluded that there had also been a lack of continuity in the external staff involved in this project and that some of the earlier knowledge of the organisation had not been passed on throughout the project. It was also clear that the extent of specialist governance knowledge on Unipol's Board exceeded that available from the consultants. Reflecting on this, the Group felt that the new process had not met its aims and did not represent good value for money for the charity, and therefore it was agreed to revert to the previous process of peer-to-peer interviews conducted by the Chair and Deputy Chairs but with the addition of some administrative support from the Deputy Chief Executive. The structure and framework on the review process was overhauled and the initial phases of this new arrangement are working well.

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Unipol's compliance and response to the *Charity Governance Code for Larger Charities* (that applies to Unipol) was reviewed. The latest compliance statement can be consulted at: <https://www.unipol.org.uk/footer/governance/corporate-documents-unipol-board/the-good-governance-code-for-the-voluntary-and-com>.

The charity assessed itself against the new Charity Ethical Principles published by NVCO, and the self-assessment document can be consulted at: <https://www.unipol.org.uk/footer/governance/corporate-documents-unipol-board/ethical-principles>

The post of Treasurer was replaced by Deputy Chair - Finance and Jenny Share, now CEO of *Ampleforth Abbey Trust* kindly took on the role which includes chairing the Financial Affairs and Staffing Committee. There is now a Chair and three Deputy Chairs: Partnerships, Portfolio and Finance with all three trustees taking an active part in the charity.

The Chair, Mr Mike Wilkinson, indicated that he felt it would be time to stand down towards the end of 2021, once a replacement had been found. Discussions are on-going about that but Mr Wilkinson will remain on the Board as a co-opted trustee and will continue to Chair the Nottingham Group.

Group on Governance

The *Group on Governance* met three times during this year and aside from working on the *Charity Ethical Principles* and the *Charity Governance Code*, followed through on a number of matters raised during the trustee review process and, as a result, a number of operational governance changes have been made. They also looked at Unipol's risk system with a view to updating this during the forthcoming year.

Senior Management Team

The Senior Management Team is now more resilient and there is greater expertise with the organisation under localised leadership. There are additional resources needed in Nottingham to build that operation and this will need addressing but the key message is that the Senior Management Team is in good shape and capable of delivering what needs to be achieved.

Health and Safety Policy - The Board continues to annually review its two health and safety policies, available at:

<https://www.unipol.org.uk/footer/governance/corporate-documents-unipol-board/health-and-safety-policy-for-housing>

<https://www.unipol.org.uk/footer/governance/corporate-documents-unipol-board/health-and-safety-policy-for-offices-and-staff>

Ms Hannah Brian, who is Chair of the *Health and Safety Review Board* has done an excellent job of work and has added focus and rigour to the workings of the Group and her input and work has been much appreciated.

Unipol is a member of the *Leeds Rental Standard* and the *National Code for Larger Student Developments* and *The Nottingham Standard* (where, in its housing management role, it falls under the scrutiny of DASH) all of which provide external scrutiny of its own standards and performance.

Unipol continues to have all of its own and managed properties independently assessed under the *Housing Health and Safety Ratings System* (HHSRS) on a five year cycle and any points raised within these assessments are addressed.

Under the Housing Act 2004 many of Unipol's properties fall under mandatory licensing and a licence is issued for 5 years. In Nottingham both additional and selective licensing applies. The holder of the licences is held in the name of the company.

Investment Powers

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The Articles of Association of the charity permit wide powers of investment. The borrowing threshold set within the charity's powers is £15 million although the amount currently being borrowed at this time stood at £6,122,386 (2020: £5,927,295).

Principal Risks and Uncertainties

Unipol undertakes an annual *Risk Analysis* and, in the light of the considerable changes that take place within both the local property market and the general higher education environment throughout the year, revisions are made to that analysis.

The risk analysis was previously undertaken in December 2019 and the Board decided that, because of the array of uncertainties connected with the pandemic, to postpone the review until later in the year. Accordingly, the whole Risk Analysis was overhauled and a special meeting of the Board was held in May 2020 to review its contents.

In 2021 there remained 32 risks. There were 7 "Red Risks" with 5 of these being new:

- changes in higher education funding and fluctuating accommodation demand and its impact on Unipol (new)
- the development of large PBSA fails to result in a scheme being undertaken or being occupied fully in its first year (new)
- damage to property or injury to a tenant resulting from fire
- fire risk assessments for residential buildings
- increase in expenditure without increasing income (new)
- the impact of the Housing Act 2004 Part II - Licensing and Tenancy Deposit Protection (new)
- increase in legislative standards (new).

Three of these risks reflected increased risk because of the pandemic.

One previously red risk reduced: the housing management service in Nottingham failing to take root and expand.

Other than the red risks there were no identified single risks that could not be contained. Only if there was a conjoining of several of high risk impacts would the position be uncontrollable.

Unipol, along with the institutions and housing providers generally, live in an uncertain world where cost, supply and demand are all subject to significant variations on an annual basis and accurate long term planning horizons are difficult to achieve.

Conclusion

2020-2021 has been a second difficult year, but the charity has hopefully come through the worst of the pandemic. Despite the disruption to students' education with A level exams being assessed and almost no face-to-face teaching between March 2020 and May 2021, students have continued to want to live in our properties and occupancy levels have remained high.

The optimism of students in believing in better times ahead is reflected in the desire to continue to make arrangements to live in their place of study and many international students have returned to the UK to study despite numerous difficult obstacles relating to international travel being placed in their way.

Unipol has operated fully throughout the year with only the conferences programme badly affected. Unipol has let almost all of its properties and took the financial hit from refunding some rents to students recognising that many had reduced budgets as part-time work dried up or parents suffering financially themselves, were less able to help. Where students had experienced life changing events in their families, then the charity was sympathetic and took the income loss that flexibility demanded.

For many in the charity this year will have the feel of a "job of work" to be done in the context of building resilience and planning for future growth and diversity. The development of the charity has continued with two new successful buildings coming on line across the last two summers. Lettings for 2021-2022 are as

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strong as ever. Trustee and partnership engagement has been interested, strong and supportive, without which the charity could not have overcome the problems that it did in the way it has.

In 2022, Unipol needs to come into what hopefully will be a post-Covid phase refreshed and refocussed, using that difficult experience to reimagine its future. The decisions taken this coming year will determine both the atmosphere and the horizon of that challenge as Unipol moves towards its next *Forward Look*.

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TRUSTEES' REPORT STATEMENT OF TRUSTEES' RESPONSIBILITIES

Statement of responsibilities of the Trustees of Unipol Student Homes Limited in respect of the Trustees' annual report and the financial statements

The trustees (who are also directors of Unipol Student Homes for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors and signed on behalf of the Board on 9th December 2021 by

Mr Michael Wilkinson

Ms Jennifer Share

155/157 Woodhouse Lane, Leeds, LS2 3ED

BHP LLP
First Floor, Mayesbrook House
Lawnswood Business Park
Redvers Close
Leeds
LS16 6QY

Independent auditor's report to the members of Unipol Student Homes

Opinion

We have audited the financial statements of Unipol Student Homes (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, 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 parent charitable company's affairs as at 31 July 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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 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:

- we identified the laws and regulations applicable to the charitable company through discussions with 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 accounts or the operations of the charity, including the Charities Act 2011;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's accounts 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.

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 the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

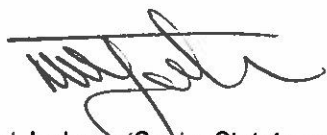
In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 the charitable company's members as a body, as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Jackson (Senior Statutory Auditor)
for and on behalf of BHP LLP, Statutory Auditor

BHP LLP
First Floor, Mayesbrook House
Lawnswood Business park
Redvers Close
Leeds
LS16 6QY

 December 2021

UNIPOL STUDENT HOMES
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 July 2021

	Note	Unrestricted funds	Restricted funds	Total 2021	Total 2020
		£	£	£	£
Income					
Charitable activities	4/27	12,970,664	94,100	13,064,764	11,650,807
Other trading activities	5	-	18,000	18,000	18,000
Investments	6	97	-	97	2,151
Total Income		12,970,761	112,100	13,082,861	11,670,958
Expenditure					
Charitable activities	7/27	12,888,801	112,100	13,000,901	11,840,776
Total Expenditure		12,888,801	112,100	13,000,901	11,840,776
Gain on disposal of Fixed Asset	14	257,822	-	257,822	-
Net (Deficit)/Surplus	10/27	339,782	-	339,782	(169,818)
Net Income to Designated funds		239,242	-	239,242	173,933
Net Gain on disposal of Fixed Assets		257,822	-	257,822	-
Net (Expenditure) to Other Charitable funds		(157,282)	-	(157,282)	(343,751)
NET MOVEMENT IN FUNDS		339,782	-	339,782	(169,818)
Total funds brought forward at 1 August	21,22	5,056,977	-	5,056,977	5,226,795
Total funds carried forward at 31 July	21,22	5,396,759	-	5,396,759	5,056,977

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The accompanying notes are an integral part of the financial statements.

UNIPOL STUDENT HOMES
CONSOLIDATED AND CHARITY BALANCE SHEET
31 July 2021

	Note	2021 Group £	2020 Group £	2021 Charity £	2020 Charity £
FIXED ASSETS					
Tangible assets	14	14,178,255	14,353,109	14,178,255	14,353,109
Investment	15	-	-	1	1
		14,178,255	14,353,109	14,178,256	14,353,110
CURRENT ASSETS					
Stock	16	415	2,038	415	2,038
Debtors	17	1,390,264	1,350,621	1,393,451	1,353,808
Cash at bank and in hand		675,808	103,520	675,808	103,520
		2,066,487	1,456,179	2,069,674	1,459,366
CREDITORS: amounts falling due within one year	18	(5,860,694)	(5,089,276)	(5,860,694)	(5,089,276)
NET CURRENT LIABILITIES		(3,794,207)	(3,633,097)	(3,791,020)	(3,629,910)
TOTAL ASSETS LESS CURRENT LIABILITIES		10,384,048	10,720,012	10,387,236	10,723,200
CREDITORS: amounts falling due after more than one year	19	(4,987,289)	(5,663,035)	(4,987,289)	(5,663,035)
		5,396,759	5,056,977	5,399,947	5,060,165
FUNDS					
Unrestricted funds:					
Designated funds	20/21/22	838,795	599,553	838,795	599,553
Other Charitable funds	20/21/22	4,557,964	4,457,424	4,561,152	4,460,612
		5,396,759	5,056,977	5,399,947	5,060,165

The notes at pages 31 to 49 form part of these accounts

These financial statements were approved by the Board on 9 December 2021

Signed on behalf of the Board

M Wilkinson

J Share

Company registration: 3401440

UNIPOL STUDENT HOMES
CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 July 2021

	Note	2021 £	2020 £
Net cash inflow from operating activities	A	2,649,826	983,106
Returns on investments and servicing of finance	B	(209,637)	(213,037)
Capital expenditure	C	(1,148,347)	(920,285)
Net cash inflow/(outflow) before use of financing		1,291,842	(150,216)
Management of financing	D	(719,554)	176,220
Increase in cash	E	572,288	26,004

NOTES TO CASH FLOW STATEMENT:

A. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM ACTIVITIES

	2021 £	2020 £
Incoming/(Outgoing) resources for the year before unrealised gains	339,782	(169,818)
Interest receivable	(97)	(2,151)
Interest payable	206,833	216,342
Depreciation charges	1,072,521	1,079,958
Disposal of fixed asset	250,680	-
Decrease in stock	1,623	20,700
(Increase) in debtors	(39,643)	(238,315)
Increase in creditors	818,127	76,390
Net cash inflow from operating activities	2,649,826	983,106

B. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2021 £	2020 £
Interest received	97	2,151
Interest paid	(209,734)	(215,188)
Net cash outflow on investments and servicing of finance	(209,637)	(213,037)

C. NET CAPITAL EXPENDITURE

	2021 £	2020 £
Purchase of fixed assets	(1,148,347)	(920,285)
	(1,148,347)	(920,285)

D. MANAGEMENT OF FINANCING

	2021 £	2020 £
(Decrease) in overdraft	(914,645)	(410,038)
Increase in bank loans	195,091	586,258
Net cash inflow from financing	(719,554)	176,220

UNIPOL STUDENT HOMES
CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 July 2021

E. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2021 £	2020 £
Increase/(Decrease) in cash in the year	572,288	26,004
Cash inflow from financing	719,554	(176,220)
Movement in debt in the year	1,291,842	(150,216)
Net debt at 1 August	(6,738,420)	(6,588,204)
Net debt at 31 July	(5,446,578)	(6,738,420)

Analysis of net debt

	1 August 2020 £	Cash flow £	Non-Cash Movement £	31 July 2021 £
Cash at bank and in hand	103,520	572,288	-	675,808
Decrease in overdraft	(914,645)	914,645	-	-
Debt due within one year	(876,772)	(764,401)	-	(1,641,173)
Debt due after one year	(5,050,523)	569,310	-	(4,481,213)
	(6,738,420)	1,291,842	-	5,446,578

The accompanying notes are an integral part of the financial statements.

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

1. ACCOUNTING POLICIES

The group financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)) and the Financial Reporting Standard 102 applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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) issued on 16 July 2014 and updated in 2019.

The particular accounting policies adopted by the Board are described below and have been applied consistently throughout the current and preceding year.

Accounting convention

The group financial statements are prepared under the historical cost convention.

Basis of consolidation

The group financial statements comprise the results of the Charity and its subsidiary on a line by line basis, for the year ended 31 July 2021.

Preparation of financial statements – Going Concern basis

The group financial statement have been prepared on a going concern basis which assumes the Charity will be able to meet its liabilities as they fall due for the foreseeable future. The Board of Unipol reviews the risk of existing and new business on a regular basis in order to keep a balance in order to mitigate the reliance on any one type of work.

Although the majority of income comes from rent receivable, risk is mitigated by several factors: Unipol's market works across three Universities cities, Leeds, Nottingham and Bradford; its housing is geared to a cross-section of student demand (undergraduate, postgraduate, international and those with families); institutional underwrite arrangements are in place for the majority of first year student allocations where demand fluctuation is greatest. This spread of risk aims to mitigate against any single market fluctuation. On the cost side Unipol leases and Management Agreements see rents adjusted annually: short term one year Agreements are agreed annually based on previous lettings experience and longer term lease arrangements have payments decided on a pre-agreed formula with some leases being on fixed inflators and others linked to RPI to act as a "basket of risk" against high inflation or possible deflation.

Turning to staffing, some staff are on fixed term contracts which link to the length of various leases of properties/projects so if Unipol lost some of its work and were unable to replace that work then staffing could be adjusted to compensate.

Finally, Unipol is fortunate to be able to purchase individual properties to use for its core purpose which is to provide high quality affordable housing to students. This also gives Unipol the ability to borrow against these individual properties in times of need.

The charity meets its day to day working capital requirements through cash generated from charitable activities and has a £1.5m overdraft facility in place with NatWest Bank, Unipol's current account bankers. Property purchases are funded through long-term bank loans whose repayment is met by cash generated from charitable activities.

The trustees have considered the impact of COVID-19 on the charity's activities, beneficiaries, workforce and supply chain, as well as the wider economy. Whilst it is not considered practical to accurately assess the duration and extent of the disruption, the trustees are confident that they have in place plans to deal with any financial losses that may arise including additional loan finance as detailed in note 26. The identifiable costs related to COVID-19 in the year are detailed in note 27.

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

1. ACCOUNTING POLICIES (continued)

The trustees have reviewed the charity's forecasts and projections, taking into account possible changes in operating performance. As a consequence, the trustees believe that the charity is well placed to manage its financial risks successfully despite the current uncertain economic outlook.

After making enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and group financial statements.

Fund accounting

The Charity maintains various types of restricted and unrestricted funds as follows:

Unrestricted funds – Designated funds

Designated funds consist of the following reserve:

Major works reserve represents a provision for future capital expenditure on large complexes.

Dispersed Houses reserve represents a provision for future capital expenditure on Unipol owned houses.

Unrestricted funds – Other Charitable funds

Other unrestricted funds represent unrestricted income which is expendable at the discretion of the Board in the furtherance of the objects of the Charity. Such funds may be held in order to finance both working capital and capital investment.

Restricted funds

Restricted funds represent grants and donations received which are allocated by the donor for specific purposes.

Incoming resources

All income is recognised in the statement of financial activities when the charity has entitlement to the funds and any conditions for receipt have been met and it is probable that the income will be received and the amount can be measured reliably.

Operating leases

Rental costs under operating leases are charged to the Statement of Financial Activities in equal amounts over the lease term and the value of any rent free periods are spread over the term of the lease.

Allocation of costs

Direct charitable expenditure includes all expenditure including support costs directly related to the objects of the Charity.

Governance costs relate to expenditure incurred in the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

The allocation of costs can be seen in Notes 7 and 9. General office costs, IT expenditure and staff costs are attributed according to the estimated time spent on each activity. Depreciation costs are attributed according to the use made of the underlying assets. Other finance charges are attributed according to the level of activity.

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

1. ACCOUNTING POLICIES (CONTINUED)

Key judgements and estimates

Preparation of the financial statements requires the Trustees to make significant judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources and estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to the timing of when depreciation is commenced and changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are considered annually. They are amended when necessary to reflect current estimates, based on, amendments to leases or management agreements, economic utilisation and the physical condition of assets

Provision for doubtful debts

The provision for doubtful debts is the estimated amount of bad debt that will arise from rents receivable and other debtors that have been billed but not yet collected.

Future rental income

Future rental income is the budgeted rental income for the following financial year only.

Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings more than £1,000 together with expenditure on computer equipment, fixtures and fittings, furniture and motor vehicles more than £1,000 is capitalised and carried in the balance sheet at historical cost.

Other expenditure incurred in the normal day-to-day running of the Charity and its subsidiary is charged to the Statement of Financial Activities as incurred.

Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives. Depreciation is charged from the year following acquisition as follows:

Freehold buildings	2% on purchase of property. Between 10 and 20% on cost of refurbishment of property
Freehold land	Nil
Leasehold land and buildings	Between 10% and 50%
Computer equipment and software	Between 10% and 33%
Motor Vehicles	20%
Office fixtures and fittings	Between 10% and 25%
Unipol property furniture	20%

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

1. ACCOUNTING POLICIES (continued)

Assets under the course of construction

Expenditure to properties, purchased or leased, which are undergoing renovation at the year end is classified as assets under the course of construction. These properties are transferred to the relevant fixed asset category on completion and depreciated accordingly from the date of transfer.

Stock

Stock is valued at the lower of cost and net realisable value.

Taxation

Unipol Student Homes is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2012 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2012 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Investments

Investments held as fixed assets are valued at cost less any provision for impairment.

Pension schemes

The charity is not a member of the University Superannuation Scheme (USS) or the University of Leeds Pension and Assurance Scheme (PAS) and has no obligation for past deficits but indirectly contributes to the schemes and one other principal pension scheme for the Charity's staff, the University of Leeds Defined Contribution Plan (DC Plan). Under auto enrolment regulations the DC Plan is the default scheme. USS and PAS are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme. The funds are valued every three years by actuaries with the rates of contribution payable being determined by the trustees on the advice of the actuaries. The amount charged to the Statement of Financial Activities in respect of pension costs is the contributions payable for the year.

2. LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

3. FINANCIAL PERFORMANCE OF THE CHARITY

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary Leeds Student Homes Ltd a dormant company that ceased trading on 31st July 2015.

The summary financial performance of the charity alone is:

	Total 2021	Total 2020
	£	£
Income		
Charitable activities	13,064,764	11,650,807
Other trading activities	18,000	18,000
Investments	97	2,151
Total Income	13,082,861	11,670,958
Expenditure		
Charitable activities	(13,000,901)	(11,840,776)
Total Expenditure	(13,000,901)	(11,806,137)
Net Income/(Expenditure)	81,960	(169,918)
Gain on disposal of tangible assets	257,822	-
NET MOVEMENT IN FUNDS	339,782	(169,918)
Total funds brought forward at 1 August	5,060,165	5,229,983
Total funds carried forward at 31 July	5,399,947	5,060,165
Represented by:		
Unrestricted income funds	5,399,947	5,060,165
	5,399,947	5,060,165

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2021 £	Unrestricted £	Restricted £	2020 £
Unipol Housing	11,680,094	-	11,680,094	10,283,507	-	10,283,507
Housing Hubs	350,491	55,000	405,491	412,847	55,000	467,847
Code of Standards	95,372	39,100	134,472	67,064	39,100	106,164
National Code of Standards	581,482	-	581,482	526,968	-	526,968
Property Management	246,112	-	246,112	228,368	-	228,368
Conference	17,113	-	17,113	37,953	-	37,953
	<u>12,970,664</u>	<u>94,100</u>	<u>13,064,764</u>	<u>11,556,707</u>	<u>94,100</u>	<u>11,650,807</u>

Unipol Student Homes is split into the following areas of activity:

Unipol Housing – includes a portfolio of properties that are either owned, leased or rented by Unipol. The main source of income is rent receivable.

Housing Hubs (Leeds, Bradford and Nottingham) – are services provided to students funded by private owners' registration fees and grants received from various institutions. This service provides advice on general student accommodation issues. It is also used as a centre for advertising student accommodation in the private rented sector. In Bradford there is additional income for accommodating overseas students on short courses.

Leeds receives funding from Leeds Beckett University, the University of Leeds, the Leeds Beckett Students' Union and Leeds University Union.

Bradford receives funding from Bradford University and Bradford College.

Nottingham receives funding from the Nottingham City Council and Nottingham Trent University.

Code of Standards (Leeds, Bradford and Nottingham) – establishes a minimum standard for accommodation and its management in the private rented sector in Leeds, Bradford and Nottingham.

National Code of Standards – establishes a minimum standard for high density student accommodation and its management nationally.

Property Management Service (Leeds and Nottingham) – includes a portfolio of properties that Unipol manages on behalf of private owners. The primary income in the area is rent commission.

Unipol Conferences – is the part of Unipol developed as "Unipol Training", and is the main national trainer in the niche market of student accommodation. Income is made up of conference fees and sponsorship money. Unipol Conferences now carries out the ANUK (Accreditation Network UK conference).

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

5. INCOME EARNED FROM OTHER ACTIVITIES

	2021 £	2020 £
Sponsorship	<u>18,000</u>	<u>18,000</u>
	<u>18,000</u>	<u>18,000</u>

During the year the Charity received sponsorship from CRM Ltd to support the conference and educational activities of the Charity.

6. INVESTMENT INCOME

The group's investment income of £97 (2020: £2,151) arises from money held in interest bearing bank accounts.

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unipol Housing £	Housing Hubs £	Code of Standards £	National Code of Standards £	Property Management £	Conference £	2021 Total £
Direct Costs	2,378,872	46,675	19,161	186,837	19,047	6,343	2,656,935
Repairs & Refurbs	1,877,121	-	-	-	1,055	-	1,878,176
Staffing	833,817	138,177	49,948	179,751	144,845	11,095	1,357,633
Lease & Management charges	4,223,037	-	-	-	-	-	4,223,037
Major Works	89,974	-	-	-	-	-	89,974
Loan interest	198,391	3,089	618	3,294	1,235	206	206,833
Depreciation	947,875	-	-	-	-	-	947,875
Support	841,179	398,157	75,819	142,704	65,508	26,634	1,550,001
Governance	<u>39,754</u>	<u>12,786</u>	<u>4,520</u>	<u>25,522</u>	<u>5,384</u>	<u>2,471</u>	<u>90,437</u>
	<u>11,430,020</u>	<u>598,884</u>	<u>150,066</u>	<u>538,108</u>	<u>237,074</u>	<u>46,749</u>	<u>13,000,901</u>

	Unipol Housing £	Housing Hubs £	Code of Standards £	National Code of Standards £	Property Management £	Conference £	2020 Total £
Direct Costs	2,131,732	46,283	22,539	168,983	25,532	20,000	2,415,069
Repairs & Refurbs	1,722,604	-	-	-	2,867	-	1,725,471
Staffing	790,911	125,123	51,405	149,016	135,398	20,029	1,271,882
Lease & Management charges	3,530,341	-	-	-	-	-	3,530,341
Major Works	108,865	-	-	-	-	-	108,865
Loan interest	216,342	-	-	-	-	-	216,342
Depreciation	957,180	-	-	-	-	-	957,180
Support	812,278	435,765	76,162	120,142	62,751	21,892	1,528,990
Governance	<u>44,337</u>	<u>12,148</u>	<u>3,831</u>	<u>19,187</u>	<u>5,307</u>	<u>1,826</u>	<u>86,636</u>
	<u>10,314,590</u>	<u>619,319</u>	<u>153,937</u>	<u>457,328</u>	<u>231,855</u>	<u>63,747</u>	<u>11,840,776</u>

Expenditure on charitable activities was £13,000,901 (2020: £11,840,776) of which £12,888,801 (2020: £11,728,676) was unrestricted and £112,100 (2020: £112,100) was restricted.

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

8. SUMMARY ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES

The table shows the cost of the six main charitable activities and the sources of income directly to support those activities.

	Unipol Housing £	Housing Hubs £	Code of Standards £	National Code of Standards £	Property Management £	Conference £	Total £
Costs	(11,430,020)	(598,884)	(150,066)	(538,108)	(237,074)	(46,749)	(13,000,901)
Rent	11,939,603	-	-	-	(1,905)	-	11,937,698
Covid Net Rebate	(496,750)	-	-	-	-	-	(496,750)
Subventions & College Fees	-	226,205	54,100	-	-	-	280,305
Fees	-	131,182	80,372	526,814	22,467	17,013	777,848
Membership Fees	-	30,647	-	-	-	100	30,747
Commission	-	-	-	-	222,242	-	222,242
Sundry Income	<u>237,241</u>	<u>17,457</u>	<u>-</u>	<u>54,668</u>	<u>3,308</u>	<u>-</u>	<u>312,674</u>
Net Cost	<u>250,074</u>	<u>(193,393)</u>	<u>(15,594)</u>	<u>43,374</u>	<u>9,038</u>	<u>(29,636)</u>	<u>63,863</u>

9. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the six main charitable activities undertaken (see note 8) in the year. Refer to the table below for the analysis of support and governance costs and the comments beneath for the basis of apportionment.

	2021			2020		
	Support £	Governance £	Total £	Support £	Governance £	Total £
General Office Costs	239,096	-	239,096	312,187	-	312,187
IT Expenditure	357,787	-	357,787	299,092	-	299,092
Staff Costs	781,435	64,844	846,279	735,331	61,763	797,094
Depreciation	124,644	-	124,644	122,778	-	122,778
Other Finance Charges	47,039	-	47,039	59,602	-	59,602
Audit	-	25,593	25,593	-	24,873	24,873
Net Cost	<u>1,550,001</u>	<u>90,437</u>	<u>1,640,438</u>	<u>1,528,990</u>	<u>86,636</u>	<u>1,615,626</u>

General office costs, IT expenditure and staff costs are attributed according to the estimated time spent on each activity. Depreciation costs are attributed according to the use made of the underlying assets. Other finance charges are attributed according to the level of activity.

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

10. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2021	2020
	£	£
Auditor's remuneration: audit of these financial statements	25,593	24,873
Interest payable	206,833	216,342
Operating leases and management agreements	4,309,564	3,634,899
Depreciation on tangible fixed assets	1,072,521	1,079,958
Directors' liability insurance	3,136	3,136
Interest receivable	(97)	(2,151)
	<u> </u>	<u> </u>

11. STAFF NUMBERS AND COSTS

	2021	2020
	No	No
Average number of full-time equivalent employees	53	53
	<u> </u>	<u> </u>

BREAKDOWN OF STAFF PER SECTION

Housing	33	33
Housing Hubs & Code of Standards	10	11
National Code	5	4
Property Management	4	4
Conferences and ANUK	1	1
	<u> </u>	<u> </u>
TOTAL	53	53
	<u> </u>	<u> </u>

Average number of employees	72	73
	<u> </u>	<u> </u>

BREAKDOWN OF STAFF PER SECTION

Housing	47	48
Housing Hub & Code of Standards	15	16
National Code	5	4
Property Management	4	4
Conferences and ANUK	1	1
	<u> </u>	<u> </u>
TOTAL	72	73
	<u> </u>	<u> </u>

	2021	2020
	£	£
Staff costs		
Wages and salaries	1,802,003	1,689,264
Employer's National Insurance	148,417	140,476
Employer's pension costs (see note 25)	228,493	214,237
	<u> </u>	<u> </u>
Sub-total before administration charge	2,178,913	2,043,977
	<u> </u>	<u> </u>
Administration Charge	24,999	24,999
	<u> </u>	<u> </u>
TOTAL	2,203,912	2,068,976
	<u> </u>	<u> </u>

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

11. STAFF NUMBERS AND COSTS (CONTINUED)

Employees receiving remuneration amounting to more than £60,000	2021	2020
	No	No
£60,000 - £69,999	1	-
£70,000 - £79,999	1	2
£80,000 - £89,999	1	-
£120,000 - £129,999	1	1

Four higher paid employees (2020: three) had benefits accruing under the defined benefit pension scheme.

The key management personnel of the Charity comprise the trustees, the Chief Executive, Deputy Chief Executive, Director of Finance, Assistant Chief Executive - Housing Services, Assistant Chief Executive - Hub Services, Assistant Chief Executive - Communication and IT, Assistant Chief Executive – Standards, Assistant Chief Executive - Development and Delivery Officer. The total employee benefits of the key management personnel were £593,912 (2020: £555,347).

Payments to Board Members

	2021	2020
	£	£
Andrew Welsh – Consultancy	6,720	1,022
Michael Wilkinson – Travel expenses as a Board Member	-	19

Board Members (or any person connected with them) have not received any remuneration from Unipol Student Homes.

The Charity purchased insurance costing £3,136 (2020: £3,136) to protect the Charity from loss arising from neglect or default of its trustees and officers.

12. CORPORATION TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13. INTEREST PAYABLE AND SIMILAR CHARGES

Group and charity

	2021	2020
	£	£
Included in Unipol Housing expenditure:		
Bank and other loans	206,833	216,342

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

14. TANGIBLE FIXED ASSETS

Group and charity

	Freehold land and buildings £	Leasehold land and buildings £	Computer equipment £	Fixtures and fittings £	Unipol property furniture £	Motor Vehicles £	Assets under the course of construction £	Total £
Cost								
At 1 August 2020	16,485,164	8,833,500	1,044,829	872,709	821,967	53,046	13,574	28,124,789
Transfer	13,574	-	-	-	-	-	(13,574)	-
Additions	565,140	477,746	-	-	3,544	-	101,917	1,148,347
Disposals	(376,424)	-	-	(1,468)	(9,788)	-	-	(387,680)
At 31 July 2021	16,687,454	9,311,246	1,044,829	871,241	815,723	53,046	101,917	28,885,456
Accumulated depreciation								
At 1 August 2020	5,380,729	6,022,374	859,708	823,857	647,190	37,822	-	13,771,680
Transfer	-	-	-	-	-	-	-	-
Charge for the year	505,904	424,272	89,351	6,412	40,674	5,908	-	1,072,521
Disposals	(125,744)	-	-	(1,468)	(9,788)	-	-	(137,000)
At 31 July 2021	5,760,889	6,446,646	949,059	828,801	678,076	43,730	-	14,707,201
Net book value								
At 31 July 2021	10,926,565	2,864,600	95,770	42,440	137,647	9,316	101,917	14,178,255
At 31 July 2020	11,104,435	2,811,126	185,121	48,852	174,777	15,224	13,574	14,353,109

The Charity sold two properties in July 2021 resulting in a gain of £257,822 to mitigate part of the costs borne by the Charity as a result of Covid and to strengthen cash flow.

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

15. INVESTMENTS HELD AS FIXED ASSETS

Charity

The Charity holds 100% of the issued share capital in Leeds Student Homes Ltd, a dormant company. With effect from 31st July 2015 the subsidiary ceased trading the results of the subsidiary are given below.

	2021 £	2020 £
Turnover	-	-
Interest receivable	-	-
Administrative expenses	-	-
	<hr/>	<hr/>
Operating (loss)/profit	-	-
Deed of gift to Unipol Student Homes		
	<hr/>	<hr/>
(Loss)/Profit for the financial year	-	-
	<hr/>	<hr/>

The aggregate of the assets, liabilities and funds was:

	2021 £	2020 £
Total assets	-	-
Total liabilities	(3,187)	(3,187)
	<hr/>	<hr/>
	(3,187)	(3,187)
	<hr/>	<hr/>
Represented by:		
Called up share capital	1	1
Profit and loss account	(3,188)	(3,188)
	<hr/>	<hr/>
	(3,187)	(3,187)
	<hr/>	<hr/>

As permitted by FRS 8 - *Related Party Transactions* the company has taken advantage of the exemption to not disclose transactions entered into between the parent company and its wholly owned subsidiary.

16. STOCKS

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Furniture	415	2,038	415	2,038
	<hr/>	<hr/>	<hr/>	<hr/>
	415	2,038	415	2,038
	<hr/>	<hr/>	<hr/>	<hr/>

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

17. DEBTORS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Owed from subsidiary undertaking	-	-	3,187	3,187
Rents receivable	557	65,963	557	65,963
Other debtors	749,604	861,604	749,604	861,604
Prepayments and accrued income	640,103	423,054	640,103	423,054
	1,390,264	1,350,621	1,393,451	1,353,808

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Overdraft	-	914,645	-	914,645
Loans (see note 19)	1,641,173	876,772	1,641,173	876,772
Returnable deposits	339,290	411,060	339,290	411,060
Trade creditors	1,695,537	561,134	1,695,537	561,134
Taxation and social security costs	13,650	29,714	13,650	29,714
Other creditors	393,593	317,052	393,593	317,052
Accruals	836,580	962,714	836,580	962,714
Deferred income (see below)	940,871	1,016,185	940,871	1,016,185
	5,860,694	5,089,276	5,860,694	5,089,276

ANALYSIS OF DEFERRED INCOME

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Rental income	618,773	624,373	618,773	624,373
Contribution from Landlords towards capital works	102,084	102,398	102,084	102,398
Subventions, fees and funding income	220,014	289,414	220,014	289,414
	940,871	1,016,185	940,871	1,016,185

Deferred income arose due to invoices due for payment at the start of the next financial year were raised at the end of the previous financial year and are simply timing issues. In addition contractual capital contributions have been made by Landlords under two lease agreements for refurbishment of the properties. These amounts will be released over the duration of the leases in line with the rate of depreciation.

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
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19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	4,481,213	5,050,523	4,481,213	5,050,523
Deferred Income	506,076	612,512	506,076	612,512
	4,987,289	5,663,035	4,987,289	5,663,035

The bank loans are secured on a number of properties within the portfolio. One bank lends to Unipol with loans expiring between 2021 and 2029 and bear interest rates of 2.28%, 2.5% or 2.55% over base with one loan at a fixed rate of 3.32% and two further loans at a fixed rate of 3.87%. A further bank lends to Unipol with loans expiring between 2022 and 2032 with interest rates between 2.65% and 3.7% over LIBOR and six fixed rate loans of 3.14%, 3.53%, 3.6%, 4.11%, 4.14%, and 4.16%.

Deferred income arose due to contractual capital contributions made by Landlords under two lease agreements for refurbishment of the properties. These amounts will be released over the duration of the leases in line with the rate of depreciation

	Group and Charity	
	2021	2020
	£	£
Analysis of loan repayments		
Bank loans and other loans		
Within one year or on demand (see note 18)	1,641,173	876,772
Between one and two years	787,280	862,380
Between two and five years	2,231,871	2,105,854
After five years	1,462,062	2,082,289
	6,122,386	5,927,295

20. ANALYSIS OF GROUP ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted funds		Total	Total
	Designated funds	Undesignated funds	2021	2020
	£	£	£	£
Fixed assets	-	14,178,255	14,178,255	14,353,109
Current assets	838,795	1,227,692	2,066,487	1,456,179
Creditors: amounts falling due within one year	-	(5,860,694)	(5,860,694)	(5,089,276)
Creditors: amounts falling due after more than one year	-	(4,987,289)	(4,987,289)	(5,663,035)
	838,795	4,557,964	5,396,759	5,056,977

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

21. STATEMENT OF MOVEMENT ON RESERVES

Charity as at 31 July 2021

	Unrestricted funds: Designated funds £	Unrestricted funds: Other charitable funds £	Total funds £
At 1 August 2020	599,553	4,460,612	5,060,165
Net movement in funds	(89,974)	429,756	339,782
Transfers	329,216	(329,216)	-
At 31 July 2021	838,795	4,561,152	5,399,947

Charity as at 31 July 2020

	Unrestricted funds: Designated funds £	Unrestricted funds: Other charitable funds £	Total funds £
At 1 August 2019	425,620	4,804,363	5,229,983
Net movement in funds	(108,865)	(60,953)	(169,818)
Transfers	282,798	(282,798)	-
At 31 July 2020	599,553	4,460,612	5,060,165

Group as at 31 July 2021

	Unrestricted funds: Designated funds £	Unrestricted funds: Other charitable funds £	Total funds £
At 1 August 2020	599,553	4,457,424	5,056,977
Net movement in funds	(89,974)	429,756	339,782
Transfers	329,216	(329,216)	-
At 31 July 2021	838,795	4,557,964	5,396,759

Group as at 31 July 2020

	Unrestricted funds: Designated funds £	Unrestricted funds: Other charitable funds £	Total funds £
At 1 August 2019	425,620	4,801,175	5,226,795
Net movement in funds	(108,865)	(60,953)	(169,818)
Transfers	282,798	(282,798)	-
At 31 July 2020	599,553	4,457,424	5,056,977

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

22. MOVEMENT IN GROUP FUNDS

As at 31 July 2021

	Balance 31 July 2020	Income	Expenditure	Transfers	Gain on Sale of Fixed Assets	Balance 31 July 2021
	£	£	£	£	£	£
Unrestricted funds						
Designated funds:						
Major works reserve	439,553	-	(89,974)	289,216	-	638,795
Dispersed Houses reserve	<u>160,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>200,000</u>
	599,553	-	(89,974)	329,216	-	838,795
Undesignated funds:						
Other unrestricted funds	<u>4,457,424</u>	<u>12,970,761</u>	<u>(12,798,827)</u>	<u>(329,216)</u>	<u>257,822</u>	<u>4,557,964</u>
Total unrestricted funds	<u>5,056,977</u>	<u>12,970,761</u>	<u>(12,888,801)</u>	<u>-</u>	<u>257,822</u>	<u>5,396,759</u>
Restricted funds						
Housing Hubs and Code of Standards:						
Bradford	-	25,000	(25,000)	-	-	-
Nottingham	-	69,100	(69,100)	-	-	-
Sponsorship	-	18,000	(18,000)	-	-	-
Total restricted funds	<u>-</u>	<u>112,100</u>	<u>(112,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>5,056,977</u>	<u>13,082,861</u>	<u>(13,000,901)</u>	<u>-</u>	<u>257,822</u>	<u>5,396,759</u>

As at 31 July 2020

	Balance 31 July 2019	Income	Expenditure	Transfers	Balance 31 July 2020
	£	£	£	£	£
Unrestricted funds					
Designated funds:					
Major works reserve	305,620	-	(108,865)	242,798	439,553
Dispersed Houses reserve	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>160,000</u>
	425,620	-	(108,865)	282,798	599,553
Undesignated funds:					
Other unrestricted funds	<u>4,801,175</u>	<u>11,558,858</u>	<u>(11,619,811)</u>	<u>(282,798)</u>	<u>4,457,424</u>
Total unrestricted funds	<u>5,226,795</u>	<u>11,558,858</u>	<u>(11,728,676)</u>	<u>-</u>	<u>5,056,977</u>
Restricted funds					
Housing Hubs and Code of Standards:					
Bradford	-	25,000	(25,000)	-	-
Nottingham	-	69,100	(69,100)	-	-
Sponsorship	-	18,000	(18,000)	-	-
Total restricted funds	<u>-</u>	<u>112,100</u>	<u>(112,100)</u>	<u>-</u>	<u>-</u>
Total funds	<u>5,226,795</u>	<u>11,670,958</u>	<u>(11,840,776)</u>	<u>-</u>	<u>5,056,977</u>

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
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22. MOVEMENT IN GROUP FUNDS (continued)

The Unrestricted Funds are:

Designated funds consisting of the following reserves:

Major works reserve represents a provision for future capital expenditure on large complexes.

Dispersed Houses reserve represents a provision for future capital expenditure on Unipol owned houses.

The Restricted Funds are:

Housing Hub and Code of Standards - Bradford - This is income from Bradford College for running its Accommodation services.

Housing Hub and Code of Standards - Nottingham - This is £30,000 from Nottingham Trent University to run the Hub and £39,100 from Nottingham City Council to run accreditation in Nottingham.

Sponsorship - This is sponsorship funding for the conference section.

Transfers

The movement of £329,216 represents a transfer from the general reserve to the designated reserves for major works and works to dispersed houses.

23. CAPITAL COMMITMENTS

	2021 £	2020 £
Unipol had contracted commitments at 31st July for future capital projects totalling	152,139	-
	<u>152,139</u>	<u>-</u>

24. LEASE COMMITMENTS

The Charity has operating lease commitments due over the lease term as follows:

	2021 £	2020 £
Amount due within one year	5,807,103	3,408,346
Amount due between one and five years	25,336,804	13,303,448
Amount due after more than five years	93,099,912	11,664,923
	<u>124,243,819</u>	<u>28,376,717</u>

Lease commitments include longer term management agreements where a contractual obligation exists.

The Charity budgets to receive rental income in respect of properties held on lease and management agreements of £11,587,684 (2020: £9,818,687)

25. PENSION SCHEMES

The charity is not a member of the University Superannuation Scheme (USS) or the University of Leeds Pension and Assurance Scheme (PAS) and has no obligation for past deficits but indirectly contributes to the schemes and one other principal pension scheme for the Charity's staff, the University of Leeds Defined Contribution Plan (DC Plan). The assets of the schemes are held in separate trustee-administered funds. USS and PAS are defined benefit schemes which are externally funded and are valued every three years by actuaries, the rates of contribution payable being determined by the trustees on the advice of the actuaries.

The DC Plan, which was introduced from 1 March 2013, is the main auto-enrolment vehicle for staff. The investment of scheme contributions for the DC Plan is managed by The People's Pension.

The valuation of Universities Superannuation Scheme showed that as at 31 March 2018 the scheme was in deficit.

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

25. PENSION SCHEMES (continued)

The valuation of the University of Leeds Pension and Assurance Scheme as at 31 March 2020 showed that the Scheme had a deficit of £66.2m, and a recovery plan was required to be put in place. It was agreed between the Trustees and the University that, to correct the shortfall as at 31 March 2020, no deficit reductions were required as the outperformance of the assets of the Scheme was expected to meet the deficit by the end of the recovery period (30 September 2026). The results of the funding update as at 31 March 2021 show that the Scheme has returned to surplus.

The pension cost for the year was £228,493 (2020: £214,237).

26. POST BALANCE SHEET EVENTS

On 20th August 2021 the one year loan that was taken out amounting to £750,000 to mitigate the potential impact of COVID 19 on operating cash flow at a fixed interest rate of 3% on 20 August 2020 was renewed for a five year term at a variable interest rate of 2.68% over Bank of England Base Rate.

A number of loans originally based on LIBOR have been consolidated in to three loans due to the phasing out of LIBOR. The loans are for £262,675 for a two year term, £1,605,450.22 for a seven year term and £721,882.50 for a ten year term all at a variable interest of 2.68% over Bank of England Base rate.

A new loan of £500,000 for refurbishment works to Alexander Court and Dyers Court was taken out on 16th November 2021 for a 7 year term at a variable interest of 2.68% over Bank of England Base rate.

On 25th August 2021 the sale of 2 Moorfield Street, Leeds, LS2 9EJ was completed for a sum of £370,000 concluding the sale of three properties to mitigate part of the cost of Covid 19.

On 18th September 2021 Unipol Student Homes completed on a 25 year lease agreement with WLIF (Jersey) Trustee I Ltd and WLIF (Jersey) Trustee II Ltd for a 188 bed shared cluster development Oak House, Park Lane, Leeds at an initial lease fee of £913,889.

27. COVID RELATED COSTS

The following details the net identifiable financial cost to the Charity of Covid 19 during the year including rent rebates to students together with support from local partners and the government furlough scheme. There are other financial costs such as additional cleaning at the end of tenancies that cannot be separately identified in addition to reductions in costs and delays in capital investment programmes due to the level of uncertainty and lockdown.

2021

	£	£
Rent Rebate	496,750	
Tenants released early from contract	<u>164,254</u>	
Loss of Rental Income		661,004
Lease cost reductions	(152,100)	
Additional Support Costs	19,499	
Property Related Costs	<u>39,042</u>	
Net reduction in costs		<u>(93,559)</u>
Cost to the Charity		<u>567,445</u>

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2021

27. COVID RELATED COSTS (continued)

2020

	£	£
Rent Rebate	1,223,273	
Support from Leeds Beckett University	<u>(667,813)</u>	
Loss of Rental Income		555,460
Lease cost reductions	(198,835)	
Furlough support	(61,233)	
Additional Support Costs	30,261	
Sanitising Stations within Developments	<u>2,656</u>	
Net reduction in costs		<u>(227,151)</u>
Cost to the Charity		<u>328,309</u>