

STUDENT UNION LETTINGS LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

STUDENT UNION LETTINGS LIMITED
(A company limited by guarantee)

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STUDENT UNION LETTINGS LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 JUNE 2022**

Trustees

Dr Paul Groves, Chair
Mr Ceri Davies
Mr Gareth Oughton
Mr Richard Osborn
Mr Martin Miller
Ms Debbie Muddimer
Mrs Danielle Gillet (resigned 8 September 2021)
Ms Penelope Robson (resigned 30 September 2021)
Miss Karla Wagener (resigned 12 July 2022)
Miss Gemma Lomas (appointed 18 October 2021)
Mr Martin Chuter (appointed 18 October 2021)
Miss Sarah Bradley (appointed 31 January 2022)
Miss Hoor Pathan (appointed 2 August 2022)

Company registered number

08140750

Charity registered number

1149922

Registered office

Ground Floor Campus Centre Building
Mill Lane
Leicester
Leicestershire
LE2 7DR

Chief Executive Officer

Mr Irving Hill

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

STUDENT UNION LETTINGS LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

Solicitors

Shakespeare Martineau LLP
Leicester
LE1 1QH

Hatch Legal
Seascale
CA20 1QU

Bankers

RBS
5 Market Street
Leicester
LE1 6DN

STUDENT UNION LETTINGS LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2022

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Student Union Lettings Limited (the company) for the period ended 30 June 2022. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP 2015), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The company trades under the name Sulets.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 9 July 2012.

The company is also a registered charity, number 1149922.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The oversight of the company is the responsibility of the unpaid Trustees who are elected and co-opted under the terms of the Trust Deed.

The company consists of a Board comprising up to 12 Trustees. Currently, there are 11 Trustees in post.

The University of Leicester Students' Union and De Montfort University Students' Union are members of the charity and each appoint 3 trustees to the Board. The other trustees recruited to the Board are independent of Student Unions or Universities. The charity has purchased indemnity insurance in favour of the trustees of the charity.

The Senior Management Team of Sulets comprises an Operations Manager, a Digital Marketing Manager along with the Chief Executive Officer who is responsible for the day-to-day operation of Sulets and is directly responsible to the Trustee Board.

The Board meets regularly to receive reports from the Chief Executive Officer, to review the charity's performance and administration and to decide policy issues arising.

The company operates from its base at De Montfort Students' Union, although we have a significant presence at University of Leicester Student Union both online and at key student events throughout the year.

STUDENT UNION LETTINGS LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

OBJECTIVES AND PUBLIC BENEFIT

The principal objects of the company are defined as follows:

The objects for which the company is established 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.

Sulets was created with the principal aim of delivering high quality housing to students studying at the two Universities in Leicester

We aim to

- Support students by offering good quality housing options
- Raise standards in the Private Rented Sector (PRS)
- Support the two Leicester Universities and their Students' Unions and deliver high quality housing for the Leicester student accommodation market

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The Trustees believe that there is a clear and continued public benefit from the operation of Sulets. This includes:

- A not for profit operating model.
- Private rented sector properties that are of a high standard and have been assessed against our own code of standards.
- Clear evidence that we have improved the quality of rental properties offered to our key target group.
- The provision of good quality independent advice via the provision of a comprehensive series of advice guides that Sulets have commissioned to provide a clear, unvarnished information to students on our website.
- A landlord rating site for students to feedback on their experience of renting in Leicester.

REVIEW OF ACTIVITIES

Despite a difficult market, Sulets has had another successful year where we have delivered our first development property and a healthy surplus, in excess of plan.

The business continues to operate on the basis of a major contract with Student Roost where we have an exclusive agreement with them. In addition, we operate 131 properties in a mix of Let Only, Managed and leased houses, which we call Head Tenancy (HTS). The HTS houses are let to us on short leases and then we sublet these to students with inclusive bills and other additional services.

The student accommodation sector has been hit hard by the sky rocketing cost of energy and this has particularly affected our HTS properties where we include the bills. In February this year, we took the decision to temporarily stop offering inclusive bills for 22/23 lets as energy costs had doubled at that point and now stand at approximately 4 times what they were before the surge in prices. As an alternative to ensure that students have been able to access an inclusive bills service, we have partnered with Unihomes who offer inclusive packages. However, the cost for these has dramatically risen in recent weeks. We will continue to review the situation and hope to return to our own inclusive offering once the situation in world energy markets improves.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Operations

Developing our own properties

This year we opened our first property that was purchased late in 2021. The property based on College Avenue in Leicester, has undergone an extensive refurbishment and was quickly let for the forthcoming 2022/23 academic year. The renovation went well and we are proud of the finished result which should provide high quality, comfortable accommodation for 4 students for many years to come.

It has long been the ambition of the team to develop our own properties and we hope that this is the first step in a long line of increasingly larger projects that will help cement our reputation for quality accommodation and help to develop a new income stream where we benefit from rental income and capital growth.

At the time of writing we are in the process of purchasing a new property near the DMU campus on Cambridge Street.

Student Survey

Every year we survey students in all our PRS housing to measure overall satisfaction and to drive improvements. This year we sent our survey to 445 tenants and 90 responded, a response rate of 20.2%. This is an increase on last years figures which had a response rate of 15%.

Highlights include:

- Over 94% of students stated that they would recommend Sulets to other students. This was 83% in 2018.
- 88% of students agreed that their rent provided good value for money. This was 86% in 2018.
- 93% of students agreed that we are 'easily accessible and responsive' when they needed to contact us.

These are very positive scores and are backed up by our review scores on Trustpilot and Google which stand at 4.4 out of 5 and 4.5 out of 5 respectively. To achieve these scores and this level of positive feedback in off-street student housing is very difficult. This is testament to the standards and service at Sulets and the hard work from a skilled and committed team of staff.

STUDENT UNION LETTINGS LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Staffing

Every year we run an independent, anonymous staff survey measuring areas such as happiness in the role, support from their manager, how valued they feel by the business and training and development. This year we achieved employee engagement score of 94%. This is a slight drop on the previous score of 100% but it remains an impressive score for any business. This was based on the following key statements:

1. I feel Sulets' values me as an employee
2. I'm proud to be a member of the Sulets' team
3. I feel happy at work

We believe that training and development are a key reason for our enviable staff engagement score. We have excellent staff retention with the average in post across the business of 6.8 years. When we do lose staff it is usually as a result of them moving to a higher role which has been made possible as we have helped develop their career through extensive training and support.

This year we helped multiple staff members with in-house and external training as well as helping our Digital Marketing Manager achieve the Level 6 Award in digital marketing with the Chartered Institute of Marketing. We paid for the course and supported them with time off during the exam and revision period. This level of investment in our staff is important and creates a highly skilled, loyal and committed team as well as developing their future careers.

Finally, following our annual reassessment, we are pleased to announce that Sulets has retained its Investors In People Gold status.

Marketing

The nature of student accommodation is that at best, a customer will normally only purchase from you over a 3-year period. This is one of the reasons that marketing is so important as the window to catch customers is by definition, short.

Sulets benefits tremendously from its exclusive links with the Student Unions including our shop on the DMU campus, exclusive access to key events, social media support and the links from the University and SU websites. The Sulets.Com website consistently ranks highly in organic search results on multiple key search terms which places our brand at the front of students search journey. These ranks are achieved from constant changes to the site to ensure it is new and engaging as well as good SEO links and fresh content.

During the year, there were over 121,000 visits to the site which is a substantial number for an operation based in a single city. The total number of visits was up by 12,500 year-on-year. From a search perspective, for the key term 'student accommodation Leicester', we consistently rank in the top three results in both organic search results and local map results. These consistent results mean that we rank higher than all local competitors as well as outranking the major national operators in local results. This is what makes Sulets a continuing popular destination for landlords and tenants despite the local market problems.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Governance

This year, the Board met on 7 occasions. All of the meetings were held online.

This year, 4 trustees joined the Board: Gemma Lomas, Sarah Bradley, Hoor Pathan and Martin Chuter. They received an induction which includes training and advice from our solicitors, where individuals are new to charity governance, meeting the staff and CEO and a tour of some of our buildings. We look forward to their positive contribution to the Board.

This year, we said goodbye to Penni Robson, Danielle Gillett and Karli Wagener. We thank them for their valuable contribution to the board and we wish her success in their future careers.

Future plans

The Leicester Market

For over 10 years, Sulets has been a successful not for profit operator serving the students of Leicester. We are proud of how the charity has developed and the positive impact we have had on student housing in the city. We remain the largest independent student housing operation in Leicester (excluding the Universities) and we feel that over the last 10 years we have made a demonstrable improvement to the student housing experience via our code of standards and ethical business practices.

However, since the pandemic, Leicester has become an increasingly difficult market to operate in. Some of this is due to the lingering effects of the pandemic as Leicester was adversely affected. However, the pandemic cannot be solely blamed for the difficult market in Leicester and the key reasons are the significant fall in student numbers attending DMU and the continuing increase in supply of PBSA accommodation.

DMU has reported a fall of around 40% in student numbers over the last 3 years and this has had a very significant impact on the market. They have dramatically reduced their nomination agreements with private providers. In comparison, University of Leicester has been steadily growing their numbers and look to have had a bumper year for the forthcoming intake (22-23) but this needs to be balanced against its new Freemans Common development which has added 1200 beds to their accommodation portfolio.

When coupled with an expansion in supply from private PBSA operators and several thousand rooms coming on stream this year or in the pipeline, this has resulted in significant voids in PBSA beds across the city which has affected all those in the sector, including the major operators.

Sulets has been highly successful in the Leicester market and has fully met its objectives and continues to do so. Proposed legislative changes may create additional opportunities and roles for Sulets to further its objectives. However, the ongoing sale of Student Roost, Sulets key partner, may be a downside risk that needs to and is being managed.

The Board has been exploring other opportunities to mitigate risks as well as providing additional growth opportunities for Sulets. Whilst fully maintaining alignment with its objects there are some very exciting upside opportunities being pursued.

The Board's ambition is for Sulets to continue with its success, build on those learnings to pursue other growth opportunities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

FINANCIAL REVIEW

Reserves Policy

The general reserve policy as detailed below is to cover trading activity and to cover redundancy costs in the event that we needed to wind the business down. Money held in excess of this, is held to build an investment fund which is being developed to support Sulets long term strategic goals.

The Board reviewed our reserves policy and decided to reduce the amount held in reserves from 6 months operational costs + redundancy payments down to 4 months as it was felt to be in excess of what was required. This has resulted in an increase into our investment fund.

The Trustee Board has approved a reserves policy for Sulets to:

- provide financial stability to enable Sulets to continue to achieve its objectives during challenging trading periods. This will enable Sulets to cover short term fluctuations in income and cash flow.
- allow Sulets to take advantage of strategic development opportunities and plan for growth.
- enable Sulets to make provision for any staff redundancies and closure costs on any dissolving of the Charity.

The reserves policy covers:

- 4 months operating costs + an additional fund to cover redundancy costs for all staff (general reserve) + a designated fund for investment.
- Operating costs being defined as payroll costs plus direct purchases.
- Redundancy costs being the statutory level for all staff employed.

This currently equates to approximately £254,000.

Total free reserves at the year end stood at £1,625,282 (2021: £1,482,776).

Going Concern

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

MATERIAL INVESTMENTS POLICY

Sulets has purchased its first property during the current financial year and at the time of writing this report, is about to complete the purchase of a second property. The Trustee Board have adopted an investment policy to ensure that our investment fund is used to further the aims of the charity by purchasing additional student properties for rent.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

RISK MANAGEMENT

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

A risk register has been established and it is formally reviewed once every 12 months by the Trustee Board.

The principal risks and uncertainties we face are considered regularly and in line with good governance. We have a range of mitigating strategies and controls in place which are reviewed and tested on a regular basis.

STAFF REMUNERATION

The CEO's role is reviewed by a Remuneration Committee. This committee was established in October 2016 to set the pay and conditions of the CEO. The Committee reports to the Trustee Board on an annual basis and this information is used to set the terms and conditions of the post.

The CEO and the entire staff team at Sulets were subject to an external pay review which re-evaluated the roles against the sector to ensure we remain competitive. This was conducted by Hays in 2020. All staff also benefit from a cost of living pay rise that is approved by the Board during the annual budget meeting in June.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Disclosure of information to auditor

The Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Auditor

The auditors, Crowe U.K. LLP, have indicated their willingness to continue in office.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by order of the members of the board of Trustees on 13 October 2022
and signed on their behalf by:

Paul Groves

Dr Paul Groves
Chair

STUDENT UNION LETTINGS LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STUDENT UNION LETTINGS LIMITED

Opinion

We have audited the financial statements of Student Union Lettings Limited (the 'charitable company') for the year ended 30 June 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

STUDENT UNION LETTINGS LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STUDENT UNION LETTINGS LIMITED
(CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

STUDENT UNION LETTINGS LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STUDENT UNION LETTINGS LIMITED
(CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were CQC regulations, General Data Protection Regulation, health and safety legislation and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, sample testing on income recognition, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STUDENT UNION LETTINGS LIMITED
(CONTINUED)

material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Helen Drew (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 19 October 2022

STUDENT UNION LETTINGS LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and grants	4	1,780	1,780	10,083
Charitable activities	5	1,446,279	1,446,279	1,898,036
Other income	6	11,433	11,433	4,365
		<u>1,459,492</u>	<u>1,459,492</u>	<u>1,912,484</u>
Total income				
Expenditure on:				
Charitable activities	7	1,328,056	1,328,056	1,705,926
		<u>1,328,056</u>	<u>1,328,056</u>	<u>1,705,926</u>
Total expenditure				
		<u>131,436</u>	<u>131,436</u>	<u>206,558</u>
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward		1,509,905	1,509,905	1,303,347
Net movement in funds		131,436	131,436	206,558
		<u>1,641,341</u>	<u>1,641,341</u>	<u>1,509,905</u>
Total funds carried forward				

The notes on pages 18 to 32 form part of these financial statements.

STUDENT UNION LETTINGS LIMITED
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REGISTERED NUMBER: 08140750

BALANCE SHEET
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	7,584	12,784
Tangible assets	13	8,475	14,345
Investment property	14	249,245	-
		<u>265,304</u>	<u>27,129</u>
Current assets			
Debtors	15	7,529	11,126
Cash at bank and in hand		1,484,413	1,643,774
		<u>1,491,942</u>	<u>1,654,900</u>
Creditors: amounts falling due within one year	16	(115,905)	(172,124)
Net current assets		<u>1,376,037</u>	<u>1,482,776</u>
Total assets less current liabilities		<u>1,641,341</u>	<u>1,509,905</u>
Total net assets		<u><u>1,641,341</u></u>	<u><u>1,509,905</u></u>
Charity funds			
Restricted funds	17	-	-
Unrestricted funds	17	1,641,341	1,509,905
Total funds		<u><u>1,641,341</u></u>	<u><u>1,509,905</u></u>

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

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

The financial statements were approved and authorised for issue by the Trustees on 13 October 2022 and signed on their behalf by:

Paul Groves

Dr Paul Groves

The notes on pages 18 to 32 form part of these financial statements.

STUDENT UNION LETTINGS LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	19	90,678	291,696
Purchase of intangible assets		-	(15,600)
Purchase of tangible fixed assets		(794)	(12,198)
Purchase of investment property		(249,245)	-
Net cash used in investing activities		(250,039)	(27,798)
Change in cash and cash equivalents in the year		(159,361)	263,898
Cash and cash equivalents at the beginning of the year		1,643,774	1,379,876
Cash and cash equivalents at the end of the year	20	1,484,413	1,643,774

The notes on pages 18 to 32 form part of these financial statements

STUDENT UNION LETTINGS LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1. General information

The charitable company is incorporated and registered with the Charity Commission in England and Wales, registered number 1149922. The company registration number is 08140750. The principal office is First Floor Campus Centre Building, Mill Lane, Leicester, Leicestershire, LE2 7DR.

The company is limited by guarantee. The members of the company are De Montfort University Students' Union Limited and University of Leicester Students' Union Trading Limited. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

Sulets principal activity is the provision of accommodation for students based at De Montfort University and the University of Leicester.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

2.2 Going concern

As stated in the Trustee's Report, the Trustees believe there are no material uncertainties that call into doubt the charitable company's ability to continue as a going concern and the accounts have therefore been prepared on the basis that the charitable company is a going concern.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)

2.4 Income

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

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.5 Expenditure

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

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

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

2.6 Intangible assets and amortisation

Intangible assets relate to website development costs and computer software, which are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

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

Amortisation is provided on the following bases:

Website	-	33% straight line
Computer software	-	25% straight line

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

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

Depreciation is provided on the following bases:

Fixtures and fittings	- 25% straight line
Computer equipment	- 25% straight line

2.8 Investment property

Investment property is carried at fair value determined annually by management and external valuers as necessary and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in the Profit and Loss account.

2.9 Financial instruments

The company only enters into basic financial instruments that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Pensions

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

STUDENT UNION LETTINGS LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

3. Critical accounting estimates and areas of judgment

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgements and estimates have been made include the following:

Investment property valuation

The investment property is revalued annually to the estimated open market value as at the year-end.

4. Income from donations and grants

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Government grants	1,780	1,780	10,083
	<u>1,780</u>	<u>1,780</u>	
<i>Total 2021</i>	<i>10,083</i>	<i>10,083</i>	
	<u>10,083</u>	<u>10,083</u>	

The company has been eligible to claim additional funding in the year to 30 June 2022 from the furlough support scheme provided by the government in response to the coronavirus outbreak (CJRS) whereby the company furloughed staff. The funding received of £1,780 (2021: £10,083) relates to staff costs included in note 10.

5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Commissions receivable	581,375	581,375	574,081
Rentals receivable	864,904	864,904	1,323,955
	<u>1,446,279</u>	<u>1,446,279</u>	<u>1,898,036</u>
<i>Total 2021</i>	<i>1,898,036</i>	<i>1,898,036</i>	
	<u>1,898,036</u>	<u>1,898,036</u>	

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

6. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Other income	11,433	11,433	4,365
<i>Total 2021</i>	4,365	4,365	

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Rental and commissions	1,328,056	1,328,056	1,705,926
<i>Total 2021</i>	1,705,926	1,705,926	

Summary by expenditure type

	Staff costs 2022 £	Depreciation 2022 £	Other costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Rental and commissions	403,570	11,864	912,622	1,328,056	1,705,926
<i>Total 2021</i>	397,065	7,989	1,300,872	1,705,926	

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Rental and commissions	1,154,781	173,275	1,328,056	1,705,926
<i>Total 2021</i>	<i>1,516,470</i>	<i>189,456</i>	<i>1,705,926</i>	

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Depreciation and amortisation	11,864	7,989
Rent	20,000	20,000
Printing, postage and stationery	1,194	1,328
Travel	1,004	293
Advertising and marketing	31,491	48,836
Legal and professional	12,760	23,203
Software subscription	29,887	32,885
Repairs and renewals	10,617	3,119
Bank charges	3,869	2,695
Credit card charges	11,816	10,025
Sundry expenses	12,677	12,481
Finance, Human Resources and Marketing	20,000	20,000
Governance costs	6,096	6,602
	173,275	189,456

9. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £6,050 (2021 - £5,715), and other services amounting to of £650 (2021 - £500).

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

10. Staff costs

	2022	<i>2021</i>
	£	£
Wages and salaries	358,378	352,424
Social security costs	30,484	30,201
Contribution to defined contribution pension schemes	14,708	14,440
	403,570	397,065

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

	2022	<i>2021</i>
	No.	No.
Administration	12	12

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

	2022	<i>2021</i>
	No.	No.
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

Key management personnel are considered to be anyone who has authority and responsibility for planning, directing and controlling the activities of the company. During the year, key management personnel received remuneration of £105,304 (2021: £90,571), including employers' National Insurance and employers' pension contributions.

11. Trustees' remuneration and expenses

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

During the year ended 30 June 2022, no Trustee expenses have been incurred (2021 - £NIL).

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

12. Intangible assets

	Website and software £
Cost	
At 1 July 2021	39,268
At 30 June 2022	<u>39,268</u>
Amortisation	
At 1 July 2021	26,484
Charge for the year	5,200
At 30 June 2022	<u>31,684</u>
Net book value	
At 30 June 2022	<u><u>7,584</u></u>
<i>At 30 June 2021</i>	<u><u>12,784</u></u>

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

13. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 July 2021	32,123
Additions	794
	<hr/>
At 30 June 2022	32,917
	<hr/>
Depreciation	
At 1 July 2021	17,778
Charge for the year	6,664
	<hr/>
At 30 June 2022	24,442
	<hr/>
Net book value	
At 30 June 2022	8,475
	<hr/> <hr/>
<i>At 30 June 2021</i>	14,345
	<hr/> <hr/>

STUDENT UNION LETTINGS LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

14. Investment property

	Freehold investment property £
Valuation	
Additions	249,245
At 30 June 2022	<u>249,245</u>

The investment property was purchased on 15 October 2021 for a total cost, including legal and other associated acquisition costs, of £231,805.

During the financial year £17,440 of improvements were made to the property to bring it into use and are deemed to have improved the value of the property.

The valuation of the property at the year-end was deemed to be in line with its purchase price plus improvements made in the year.

15. Debtors

	2022 £	2021 £
Trade debtors	2,531	6,928
Prepayments and accrued income	4,998	4,198
	<u>7,529</u>	<u>11,126</u>

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	5,281	70,612
Other taxation and social security	25,045	18,105
Accruals and deferred income	85,579	83,407
	<u>115,905</u>	<u>172,124</u>
	2022 £	2021 £
Deferred income		
Deferred income at 1 July 2021	19,756	24,448
Resources deferred during the year	29,027	19,756
Amounts released from previous periods	(19,756)	(24,448)
	<u>29,027</u>	<u>19,756</u>

Deferred income represents rent and associated income received in advance.

The Company holds funds as intermediary on behalf of landlords and tenants. These amount to £232,505 (2021: £259,986) at the year end date and are not included as assets or liabilities of the Company in line with the SORP recommended treatment.

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

17. Statement of funds

Statement of funds - current year

	Balance at 1 July 2021 £	Income £	Expenditure £	Balance at 30 June 2022 £
Unrestricted funds				
General Funds	1,509,905	1,459,492	(1,328,056)	1,641,341

Statement of funds - prior year

	Balance at 1 July 2020 £	Income £	Expenditure £	Balance at 30 June 2021 £
Unrestricted funds				
General Funds	1,303,347	1,912,484	(1,705,926)	1,509,905

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	8,475	8,475
Intangible fixed assets	7,584	7,584
Investment property	249,245	249,245
Current assets	1,491,942	1,491,942
Creditors due within one year	(115,905)	(115,905)
Total	1,641,341	1,641,341

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	14,345	14,345
Intangible fixed assets	12,784	12,784
Current assets	1,654,900	1,654,900
Creditors due within one year	(172,124)	(172,124)
Total	<u><u>1,509,905</u></u>	<u><u>1,509,905</u></u>

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

	2022 £	<i>2021 £</i>
Net income for the year (as per Statement of Financial Activities)	<u>131,436</u>	<u>206,558</u>
Adjustments for:		
Depreciation charges	6,664	4,055
Amortisation charges	5,200	3,934
Decrease in debtors	3,597	12,522
Increase/(decrease) in creditors	(56,219)	64,627
Net cash provided by operating activities	<u><u>90,678</u></u>	<u><u>291,696</u></u>

20. Analysis of cash and cash equivalents

	2022 £	<i>2021 £</i>
Cash in hand	<u><u>1,484,413</u></u>	<u><u>1,643,774</u></u>

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

21. Analysis of changes in net debt

	At 1 July 2021 £	Cash flows £	At 30 June 2022 £
Cash at bank and in hand	1,643,774	(159,361)	1,484,413
	<u>1,643,774</u>	<u>(159,361)</u>	<u>1,484,413</u>

22. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. There were no contributions payable to the fund at the balance sheet date (2021: £nil).

23. Operating lease commitments

At 30 June 2022 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	<u>497,045</u>	<u>574,054</u>

During the year lease payments have been recognised as an expense in the Statement of financial activities for £574,054 (2021: £914,347).

The properties above are sub-let to students.

At 30 June 2021 the total of the Company's future minimum lease receipts under non-cancellable operating leases were:

	2022 £	2021 £
Within 1 year	<u>728,537</u>	<u>862,752</u>

STUDENT UNION LETTINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

24. Related party transactions

The Company has rented office space from De Montfort Students Union during the year at a cost of £20,000 (2021: £20,000). The Company also paid £10,000 (2021: £10,000) in advertising and £Nil (2021: £335) in sundry expenses to De Montfort Students Union. At the year end £Nil (2021: £Nil) remained outstanding.

The Company also paid £10,000 (2021: £10,000) for advertising expenses to The University of Leicester Students' Union. At the year end £Nil (2021: £Nil) remained outstanding.