

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

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THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2025

Trustees	M Bryan, OUSA Vice President Administration (resigned 1 July 2025) S Jones, Co-opted Trustee, Chair and Immediate Past President (appointed 14 March 2025) J McDougall, Co-opted Trustee B Pacey, OUSA Chief Executive D Smith, Co-opted Trustee S O'Kelly, OU Vice Chancellor Nominee M Walker, Vice President Student Welfare (resigned 1 October 2024) K Kennedy (appointed 1 July 2025) J Hannington (appointed 1 July 2025) L Robinson (appointed 1 August 2024) M Greenaway, Chair (appointed 1 August 2024, resigned 1 January 2025)
Charity registered numbers	285189 and SCO38300
Principal office	PO Box 397 Walton Hall Milton Keynes Buckinghamshire MK7 6BE
Independent auditors	HaysMac LLP Statutory Auditors 10 Queen Street Place London EC4R 1AG
Bankers	National Westminster Bank plc 501 Silbury Boulevard Milton Keynes
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

INTRODUCTION FROM THE CHAIR OF TRUSTEES FOR THE YEAR ENDED 31 JULY 2025

The Open University Students Educational Trust (Ouset) is at an exciting point in its history. The Trust was established in 40 years ago with the aim of supporting students who are experiencing financial hardship. The principle of open access to lifelong learning is something that the Open University is based upon. Access to quality education can be life changing and should not be contingent on financial situation. Many students who access Ouset have no other means of funding their education, in particular for those students in financial hardship, and this mission is just as important today as it was when the charity was established.

Ouset's income derives from legacies, individual giving, and donations from the OU Students Union (also known as Open SU; formerly known as the Open University Student Association). However, much of this has been passive giving and unpredictable, making longer-term planning challenging. The Board are committed to creating more sustainable and reliable income streams, to safeguard the Trust's future to continue to support students.

To achieve this goal, we have worked with external fundraising consultants and employed a temporary fundraiser for 18 months. Although this individual was incredibly passionate about the cause, we found that we were not able to bring funds necessary to justify this post and so we thank her for all her hard work, but the drawing board to consider as a board how we can reduce our outgoing costs and diversify our income to protect the charity for many years to come. This said, we are comfortable with our current financial position and are excited to welcome new board members with fresh ideas to the team.

The Board is excited to progress their plans to diversify our income, ensure our support is known across the OU community and to promote the support we offer, and to enable more disadvantaged students to continue their studies.



S Jones
Chair of Trustees

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2025

The Trustees present their annual report together with the audited financial statements of The Open University Students Educational Trust (Ouset) for the 1st August 2024 to 31st July 2025. The Trustees confirm that the annual report and financial statements of the Charity comply with the current statutory requirements, its Declaration of Trust and the provisions of the Charities SORP (FRS 102).

Objectives and activities

a. Objectives and aims

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

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

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

b. Activities for achieving objectives

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

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

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

Objectives and activities (continued)

c. Grant Making Policy

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

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

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

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

We continue to monitor the impact of the financial criteria changes we implemented in October 2021. We introduced limits (up to 180 credits for undergraduates and up to 60 credits for postgraduates) to help to ensure funding is distributed as widely as possible. As part of our monitoring strategy, we record all incoming applications including referral details (i.e. how did you hear about OUSET). We also work with other departments of the University to remain up to date with any changes to the wider funding structure within the higher education sector.

Our funding criteria is published on "<https://www.oustudents.com/support-and-advice/ouset/>".

d. Volunteers

With the exception of the Open University Vice-Chancellor's nominee and the Open University Students Union Chief Executive, all other Trustees are volunteers and only receive reimbursement of out of pocket expenses incurred and directly related to OUSET business.

Achievements and performance

a.

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

In the past year we have been able to launch our new website and testimonial hub, linked up with Charity Link to make the charity savings and reviewed our fundraising pilot, making the decision to not employ staff at this point in time. The board are still keen to explore fundraising and other opportunities for diversity, but they are confident that the pilot showed us some areas that could work in the future and some which are not right for OUSET and our situation.

The board have been able to share some incredible projects with students, hosting a hike over Yorkshire peaks and raising money by involving students in this wonderful opportunity. We are also able to link up with some of the OU's societies to raise funds and see this as a potential avenue for the future.

In 2024/25, OUSET supported 54 students (2023/24: 56) who met the funding criteria, granting a total of £102,651.72 in awards (2023/24: £157,715.75).

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

a. Income and expenditure

Income in the year exceeded expenditure by £114,058.65.

The Charity relies on legacies and donations to fund its activities and these are unpredictable. Whilst Trustees are always saddened to hear of the passing of a member of the Open University student or alumni community, we are grateful that the valuable work of OUSET is often remembered in wills. In 2024/25, income from bequests and legacies amounted to £36,672 (2023/24 £422k).

The Student Union encourages customers of the "<https://www.oustudentsshop.com/>" OU Students Shop where students can download past exam papers, free of charge, to donate to the work of OUSET. To maximise the amount it receives from donations, the Trust is registered for Gift Aid and this is reclaimed quarterly from HMRC.

Other than expenditure on grants, the Trust's largest area of expenditure is the management fee payable to the Association based on a percentage of staff time allocated to the financial support provided to the Trust and the fee payable to Charity Link. The basis of the management fee is reviewed annually and agreed between Trustees of the Student Union and Trustees of the Educational Trust. This represents value for money for the Trust, providing a wide range of expertise and time input from a variety of Association staff members.

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

b. Reserves

The Charity brought forward total free reserves of £1,569,075. There were no restricted funds brought forward.

The Trust carries forward to 2025/26 a total of £1,445,018 in unrestricted funds.

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

The current Higher Education sector financial picture remains uncertain and everchanging and therefore the context that we operate in is a challenging environment where the Trustees have to apply financial prudence to their decision making to ensure OUSET's financial sustainability.

Nonetheless it is our desire to attract hard to reach students and raise awareness about the Charity's work. This work will continue, ensuring the work of our Trust is publicised; that we monitor the effectiveness of the Charity's funding criteria, the new guidelines notes, and funding application forms, in delivering on the Trust's strategic aims.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025**

c. Investment policy and performance

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

Surplus funds are currently invested in tranches of between £200k and £300k in fixed term Treasury Deposits with NatWest for up to 6 months. The balance, to meet day-to-day operational costs, is held in an instant access deposit account with NatWest.

As of 31 July 2025, we held £1,000,000 in treasury deposits.

Trustees periodically review their investment policy and liaise with the Student Union regarding the management of OUSET's funds.

d. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future.

At current levels of expenditure, the Charity's reserves would fund several years of charitable activity.

The Charity has few overheads and is therefore protected from the impact of the cost of living crisis.

For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption concern basis can be found in the Accounting Policies.

a. Governing document

The Open University Students Educational Trust is a registered charity, number 285189, and is constituted under a Trust deed.

b. Method of appointment or election of trustees

As per the governing document, the maximum number of Trustees is eight.

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

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

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

c. Policies adopted for the induction and training of new trustees

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

(continued)

d. Pay policy for senior staff

Ouset does not employ any staff. Instead, Ouset pays a management charge to the Open University Student Union for the staffing support that it receives.

Grant management is handled by Charity Link, this includes the Company Secretary role.

e. Organisational structure and decision making

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

These forums provide the opportunity for Trustees to consider applications, meet virtually, discuss the business of the Trust and engage with Charity Link.

In addition, Board of Trustee meetings are held quarterly these have been held online and going forward, it is envisaged that meetings will either continue to be held online going forward. The board utilise a slack space for less formal conversations and to share training and ideas with one another.

f. Related party relationships

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

In 2024/25, £25,000 has been donated by the Student Union to support delivery of Ouset's work to support students.

Through the OU Students Shop, the Student Union has continued to invite customers to make a voluntary donation to support the activities of Ouset. In 2024/25, donations from this source totaled £3,213.

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2025

Statement of Trustees' responsibilities

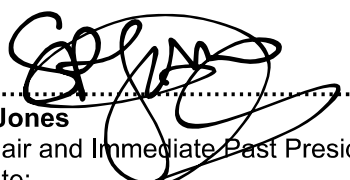
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales and Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of 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 judgements 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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


.....
S Jones
Chair and Immediate Past President
Date:
Thursday 9th April 2026

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

Opinion

We have audited the financial statements of The Open University Students Educational Trust (the 'Charity') for the year ended 31 July 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 July 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST (CONTINUED)

Other information

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

Based on our understanding of the Charity and industry, we identified that the principal risks of noncompliance with laws and regulations related to regulatory requirements for the investment advisory business and trade regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and income tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST (CONTINUED)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Weaver
HaysMac LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 21/04/2026

HaysMac LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2025

	Note	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:				
Donations and legacies	3	67,917	67,917	140,794
Other trading activities	4	6,360	6,360	-
Investments	5	40,026	40,026	57,975
Total income		114,303	114,303	198,769
Expenditure on:				
Charitable activities	6	258,954	258,954	296,250
Total expenditure		258,954	258,954	296,250
Net movement in funds		(144,651)	(144,651)	(97,481)
Reconciliation of funds:				
Total funds brought forward		1,569,075	1,569,075	1,666,556
Total funds carried forward		1,424,424	1,424,424	1,569,075

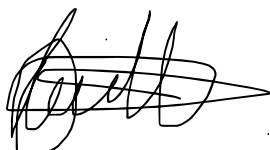
The notes on pages 16 to 24 form part of these financial statements.

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

BALANCE SHEET AS AT 31 JULY 2025

	Note	2025 £	2024 £
Current assets			
Debtors	10	130,831	142,848
Cash at bank and in hand		1,354,174	1,506,482
		<u>1,485,005</u>	<u>1,649,330</u>
Creditors: amounts falling due within one year	11	(60,581)	(80,255)
Net current assets		<u>1,424,424</u>	<u>1,569,075</u>
Total assets less current liabilities		<u>1,424,424</u>	<u>1,569,075</u>
Total net assets		<u>1,424,424</u>	<u>1,569,075</u>
Charity funds			
Unrestricted funds	12	1,424,424	1,569,075
Total funds		<u>1,424,424</u>	<u>1,569,075</u>

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



D Smith
(Trustee)

The notes on pages 16 to 24 form part of these financial statements.

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2025

	2025 £	2024 £
Cash flows from operating activities		
Net cash used in operating activities	(152,308)	266,355
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(152,308)	266,355
Cash and cash equivalents at the beginning of the year	1,506,482	1,240,127
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	1,354,174	1,506,482
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 16 to 24 form part of these financial statements

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

1. General information

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

2.2 Going concern

After making appropriate enquires, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

There has been a sustained increase in legacy income in the recent years, while applications for the grant funding have remained low. At current levels of expenditure, the Charity's free reserves together with the predicted income from legacies are sufficient to fund several years of charitable activity. The charity has very few fixed cost and the Trustee regularly review funds to ensure that grant commitments and related costs are monitored and remain within available resource.

The Trustees also invest a portion of reserves in higher-interest bonds, generating returns above those available from a standard current account and further supporting financial resilience.

The Trustees are mindful that the Charity is expected to transition to a Charitable Incorporated Organisation (CIO) during 2025-26, after which the current charity will be wrapped up and its activities transferred to the new entity.

For these reasons, the Trustees continue to adopt the going concern basis in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

2. Accounting policies (continued)

2.3 Income

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

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

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

2.4 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.

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Debtors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

2. Accounting policies (continued)

2.7 Cash at bank and in hand

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

2.8 Liabilities and provisions

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

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

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

2.9 Financial instruments

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

2.10 Fund accounting

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

Investment income, gains and losses are allocated to the appropriate fund.

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

3. Income from donations and legacies

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations	31,245	31,245	31,772
Legacies	36,672	36,672	109,022
	<u>67,917</u>	<u>67,917</u>	<u>140,794</u>

4. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Campaigns	6,110	6,110	-
Other	250	250	-
	<u>6,360</u>	<u>6,360</u>	<u>-</u>

5. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Bank interest received	40,026	40,026	57,975

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

6. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Grant funding of activities 2025 £	Support costs 2025 £	Total funds 2025 £	Total funds 2024 £
Direct costs	117,986	-	-	117,986	109,603
Grants	-	125,262	-	125,262	171,343
Governance costs	-	-	15,706	15,706	15,304
Total 2025	<u>117,986</u>	<u>125,262</u>	<u>15,706</u>	<u>258,954</u>	<u>296,250</u>
Total 2024	<u>109,603</u>	<u>171,343</u>	<u>15,304</u>	<u>296,250</u>	

Analysis of direct costs

	Total funds 2025 £	Total funds 2024 £
Management charges	59,832	59,832
Fundraising costs	1,855	439
Staff costs (see note 9)	47,904	46,248
Card transaction charges	61	62
Data protection	35	35
Bank charges	174	53
Postage	(6)	20
Miscellaneous costs	8,131	2,914
Total 2025	<u>117,986</u>	<u>109,603</u>

Analysis of support costs

	Total funds 2025 £	Total funds 2024 £
Governance costs	<u>15,706</u>	<u>15,304</u>

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

7. Analysis of grants

	Grants to Individuals 2025 £	Total funds 2025 £	Total funds 2024 £
Grants	125,262	125,262	171,343
Total 2024	171,343	171,343	

8. Net income/(expenditure)

This is stated after charging:

	2025 £	2024 £
Auditor's remuneration - audit	5,800	5,300
Auditor's remuneration - accounts preparation	1,100	1,000

9. Staff costs

	2025 £	2024 £
Wages and salaries	39,965	36,501
Social security costs	3,247	3,399
Contribution to defined contribution pension schemes	4,692	6,348
	47,904	46,248

The above employee cost represent recharges by Open SU for an employee who is full time employed by Open SU. Some of the employee's time is spent on OUSET to perform financial and administrative activities for the charity which gets recharged as an expenditure in OUSET.

The Charity has no employees other than the Trustees, who did not receive any remuneration (2024 - £NIL). No employees earned over £60k during the year (2024: 0).

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

10. Debtors

	2025 £	2024 £
Trade debtors	-	2,319
Prepayments and accrued income	130,831	140,529
	<u>130,831</u>	<u>142,848</u>

11. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	21,522	-
Accruals and deferred income	39,059	80,255
	<u>60,581</u>	<u>80,255</u>

12. Statement of funds

Statement of funds - current year

	Balance at 1 August 2024 £	Income £	Expenditure £	Balance at 31 July 2025 £
Unrestricted funds				
Reserves	1,569,075	114,303	(258,954)	1,424,424

Statement of funds - prior year

	Balance at 1 August 2023 £	Income £	Expenditure £	Balance at 31 July 2024 £
Unrestricted funds				
General Funds	1,666,556	198,769	(296,250)	1,569,075

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

13. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Total funds 2025 £
Current assets	1,485,005	1,485,005
Creditors due within one year	(60,581)	(60,581)
Total	1,424,424	1,424,424

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	Total funds 2024 £
Current assets	1,649,330	1,649,330
Creditors due within one year	(80,255)	(80,255)
Total	1,569,075	1,569,075

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

	2025 £	2024 £
Net expenditure for the year (as per Statement of Financial Activities)	(144,651)	(97,481)
Adjustments for:		
Decrease in debtors	12,017	307,836
Increase/(decrease) in creditors	(19,674)	56,000
Net cash provided by/(used in) operating activities	(152,308)	266,355

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

15. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	354,174	356,482
Fixed term deposit	1,000,000	1,150,000
Total cash and cash equivalents	1,354,174	1,506,482

16. Analysis of changes in net debt

	At 1 August 2024 £	Cash flows £	At 31 July 2025 £
Cash at bank and in hand	1,506,482	(152,308)	1,354,174
	1,506,482	(152,308)	1,354,174

17. Related party transactions

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

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

	2025	2024
Charges from Open SU		
Management charge	£ 49,860	£ 59,832
Recharges	£ 39,921	£ 2,722

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

	2025	2024
Funds from Open SU		
Webstore donations	£ 3,213	£ 3,101
OUSA Donations	£ 25,000	£ 25,000

At the year end a balance of £24 (2024: £5,004) was receivable from Open SU.

18. Controlling party

The Trustees consider that there is no ultimate controlling party.