

**Charity registration: 1063492**  
**Company registration: 3401440**

**UNIPOL STUDENT HOMES**

**Annual Report and Group**

**Financial Statements**

**31 July 2020**

# **UNIPOL STUDENT HOMES**

## **ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS 2020**

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# UNIPOL STUDENT HOMES

## LEGAL AND ADMINISTRATIVE INFORMATION

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#### BOARD

The Board comprises the following representatives:

#### ***The University of Leeds***

Mr Ian Robertson, Head of Residential Accommodation

#### **Deputy Chair (Partnerships) of Unipol**

Mr Christopher Warrington

Ms Catherine Cho (appointed 01/07/2019)

Contactable at University of Leeds, Leeds LS2 9JT

#### ***Leeds Beckett University***

Mr David Collett, Head of Campus and Residential Service (resigned 31/12/2019)

Ms Priscilla Preston (resigned 18/09/2020)

Ms Victoria Johnson (appointed 29/05/2020)

Ms Caroline Thomas (appointed 01/07/2019)

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

#### ***Leeds University Union***

Ms Charlotte Morton (appointed 01/07/2020)

Mr Jian Feng (appointed 01/07/2020)

Ms Amy Wells (resigned 30/06/2020)

Ms Catheryne Fairbairn (resigned 30/06/2020)

Ms Hannah Brian (appointed 10/08/2018)

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

#### ***Leeds Beckett University Students' Union***

Ms Jessica Carrier (resigned 30/06/2020)

Mr Ahmed Shire (resigned 30/06/2020)

Ms Pango Simwaka (appointed 01/07/2020)

Ms Kay Rhoden-Campbell (appointed 01/07/2020)

Mr Martin Rushworth, Head of Finance (resigned 31/12/2019)

Ms Jacqui Lawton (appointed 08/02/2020)

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

#### ***Bradford College***

Vacant

#### ***Co-Opted Directors***

Mr Michael Wilkinson (**Chair of Unipol**)

Mr Andrew William Welsh

#### **Deputy Chair (Properties and Portfolio) of Unipol**

Mr Daniel Saxton (resigned 08/04/2020)

#### **Treasurer of Unipol**

Ms Meri Braziel

Mr Michael Lees

Ms Jennifer Share (appointed 27/09/2019)

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

# UNIPOL STUDENT HOMES

## LEGAL AND ADMINISTRATIVE INFORMATION

### LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)

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

### OFFICERS OF UNIPOL STUDENT HOMES

Mr M J Blakey	Chief Executive
Ms N Verity	Deputy Chief Executive
Ms C Rygalska	Director of Finance
Ms R Campey	Assistant Chief Executive – Housing Services
Ms N Brown	Assistant Chief Executive - Hub Services
Mr A Livesey	Assistant Chief Executive - IT and Communications
Ms V Tolmie-Loverseed	Assistant Chief Executive – Standards & Company Secretary (appointed 06/04/2020)
Mr A Vyse	Assistant Chief Executive - Developments

### BANKERS

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

Pinsents 1 Park Row Leeds LS1 5AB	Lupton Fawcett Denison Till Stamford House Piccadilly York YO1 9PP	Hatch Legal 12 Park House 11 Park Row Leeds LS1 5HB	Walker Morris Kings Court 12 King Street Leeds LS1 2HL
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### AUDITOR

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

# UNIPOL STUDENT HOMES

## TRUSTEES' REPORT

The annual report and the audited financial statements are for the year ended 31st July 2020 in the 45th year of operation of Unipol Student Homes as a registered charity (two years after it was founded initially as part of the University of Leeds in 1973). On 1st August 1997 Unipol was incorporated as a charitable company limited by guarantee. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

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

### Values

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

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

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

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

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

*To promote community* - whilst we promote individuality we encourage positive attitudes to equality, cultural diversity and the internationalism inherent in undertaking study in higher education.

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

*To be transparent and accountable* - being answerable, as a charity to our Board of trustees and to our users we make our agenda and operations as clear and open as we can.

These values are at the core of our actions.

### Purposes, Activities and Public Benefit

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

# UNIPOL STUDENT HOMES

## TRUSTEES' REPORT

Unipol was founded in Leeds by trustees with a vision of a charity offering dedicated expertise in student housing. From the outset the charity has worked nationally with education institutions and housing providers to give students better information and help on available housing options and to champion better housing standards which now takes place through local services based in Leeds, Nottingham and Bradford and nationally, although Leeds continues to be a principal financial focus of the charity's activities.

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

- has its own Housing Section which develops, takes into ownership and manages refurbished properties and lets them directly to students. In 2019-2020 Unipol was responsible for housing around 3,000 students (including around 210 students with dependents, mainly families) located in Leeds, 270 students in Nottingham and 59 students in Bradford. This direct provision sits at the heart of the charity's operation and is a beacon of good practice for others working in the sector.

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

- runs a number of successful voluntary accreditation schemes (in Leeds, Nottingham and Bradford) and two Government Approved Codes of Practice dealing with larger student developments in the United Kingdom designed to maintain and improve property and management standards. Together these schemes cover an estimated 340,000 student bed spaces. In Leeds, Unipol runs the *Leeds Rental Standard* for the City Council (<http://www.leedsrentalstandard.org.uk/>) and in Nottingham (together with DASH - Decent and Safe Homes) runs the Nottingham Standard (<https://www.nottinghamcity.gov.uk/nottinghamstandard>).

- is the main national trainer in the niche market of student accommodation, running a full annual programme. The training arm also undertakes some bespoke in house training and a number of briefings for different constituencies.

### **The Coronavirus Pandemic**

This financial year has been dominated by the effects of the Coronavirus pandemic and the following financial year 2020-2021 will see that domination continue. This year's achievements and performance were all affected by the pandemic in both Q3 and Q4 and it makes sense to report those at this stage.

Unipol's trustees first discussed the pandemic at its Board meeting on 7th February 2020, before a case in the UK had been detected. By 16th March, only 5 weeks later, the Prime Minister announced a national lockdown with the intention of minimising all social contact to restrict the spread of the Covid-19 virus. Although the most severe conditions of the lockdown began to be lifted in mid-May, from March universities and colleges closed the majority of their buildings until late summer 2020, face-to-face teaching stopped and students studied on-line only.

Unipol, like every other organisation, was taken unawares by the scale of the health risk and had to move quickly to work out how it would react to the pandemic, what implications it had for students and institutions and what any financial damage might be.

Not all students returned home in March: some regarded Leeds as their home, others were advised by parents not to return because of domestic circumstances and the majority of international students continued to live in the UK and study. It was of significant advantage to Unipol that the charity never closed (although the housing hubs closed to the public for 3 weeks) and most of Unipol's work and advice role could be continued on line. Unipol always had just over 50% of its tenants living in its properties until the end of this financial year and demand for its on-line advice and website content increased.

Running the Government approved National Codes meant Unipol was consulted by Government and the educational sector to offer policy advice and assistance on what accommodation providers could do to respond to the pandemic. Local landlords also saw Unipol as an important source of information and advice.

# UNIPOL STUDENT HOMES

## TRUSTEES' REPORT

As universities closed and many students returned home their need for student accommodation ended and many educational institutions decided to refund rents if students left their accommodation and this was mirrored by the larger private sector accommodation providers.

A large proportion of Unipol's income is rent and in setting rents the charity seeks only to cover its costs and provide a good service to students. No allowance is made for a sudden cessation of contracted rental income, although some tolerances are built in for voids based on agreed levels of previously identified risk. Unipol is not a major commercial supplier, nor is it a University with its main fee income stream still continuing, and therefore needed to find a unique solution and that would fit within the values of the charity.

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

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

This was a good foundation stone upon which considerations were made.

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

### *Rent Refunds April-June 2020*

Unipol decided to make a rent refund of 50% to all of its mainly undergraduate tenants from 27th April 2020 until the end of their current tenancies in all of its owned and leased properties, whether or not they returned home. The rent reduction was conditional on tenants accepting they would meet the remaining 50% of the rent. Students and their parents responded well to the offer, which was popular and the fear of large scale rent arrears did not arise.

Allocated tenancies by the University of Leeds and Leeds Beckett University were refunded by 100% if students were no longer resident by a number of deadlines. The cost of this was borne by the educational institutions.

Allocated tenancies by Leeds Arts University and Leeds College of Music (now Leeds Conservatoire) students initially received no rent reduction but a Rent Support Fund was established with a resource of £60K which was allocated to students on these nominations agreements. Interestingly, this situation brought Unipol closer to the Leeds College of Music whilst causing friction with Leeds Arts University.

In respect of rent refunds for students in Unipol's managed properties 64% of students had their rent reduced by the requested 50% (the same as Unipol's offer on its own tenancies), 14% received a lesser offer for their remaining rent to be reduced by 15%-30%. Only 22% received no offer of a rent reduction but owners said they would consider the circumstances of tenants on an individual basis if they got in touch. The total number of rental adjustments made affected 2,323 tenants.

### *Rent Refunds July-September 2020*

Unipol had around 1,400 tenancies that ran over 52 weeks where tenants moved on July 1st 2020. Trustees had to consider whether to extend rent refunds to these tenants and needed to take these decisions in late May when, at that time, it was not clear whether universities would re-open as "normal" in September/October.

There were a variety of issues that trustees considered:

- occupation over the summer had never been "term related", although there was clearly a link with when students studied
- many students who continued to live in Leeds over the summer often had temporary jobs most of which had been lost and parents' own incomes may have been affected

# UNIPOL STUDENT HOMES

## TRUSTEES' REPORT

- any reduction would help all students, whether or not they were present, but would favour those who wanted to live in Leeds
- taking decisions before the beginning of June meant Unipol was ahead of the curve and students and parents could plan their logistics and finances properly.

There were also additional complex cleaning requirements that needed to be undertaken so that tenants could move out and in safely.

Trustees decided that Unipol should again reduce its rents from 1st July to 30th August 2020 by 50% in respect of these tenancies.

By August, it was known that it was the Government's intention that students should attend their universities in September and October and the vast majority would therefore require their accommodation from that date.

Overall, Unipol refunded £1.2m in rent from March to July 2020. Some of this cost was met by Unipol's educational partners and some refunds (where students pay rent directly to an educational institution and the institution pays Unipol) are not recorded in this sum at all. Overall, it has been estimated that the amount of rent refunded to students nationally fell just short of £1 billion. Unipol requested lease deductions from some of its owners and this, together with contributions from the educational institutions meant that the refunds cost the charity £490K of which £356K falls within this financial year.

The charity was able to make significant savings by reducing its major works and was able to make some limited staffing savings on the Government furlough scheme (of about £61K). The Government CIBILS scheme was not accessed as a more favourably-termed commercial loan financing was made available. Unipol's planned acquisitions were frozen to protect cash-flow and future borrowing capacity should that be necessary but planned debt repayment continued.

As the year has now come to a close it is possible to evaluate the impact of what has happened in this financial year. Although the income loss has seen the charity return a deficit for the first time since 1990 of £344K, this deficit takes into account a prudent approach to absorbing a number of one-off costs within this year which will strengthen the charity's finances going forward. The charity has been reasonably resilient and has responded well to balancing the need to move towards home-working whilst maintaining staff in offices and buildings and maintaining services to our users.

Greater flexibility was shown to students deciding, in the context of the "new normal", to commute from home and they were released from contracts for 2020-2021 with most rooms being re-let. Lettings, voids and bad debts all performed better than budgeted. The international student market was badly disrupted, but Unipol had only a limited exposure to that market and most of that was covered by institutional underwrites.

In terms of 2019-2020, the charity has taken a significant revenue hit, but has mitigated some of this and the overall outcome is not such that it has caused structural damage to the charity, even if many of the risks remain on-going and these are dealt with elsewhere in this report.

### **The Unipol Mission**

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

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

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

- there are no fees or hidden charges
- students over the age of 18 are not asked to provide guarantors

# UNIPOL STUDENT HOMES

## TRUSTEES' REPORT

- each student tenant gets an individual tenancy agreement, removing their liability for the acts or omissions of their co-tenants
- housing revenue goes to support investment in higher-quality properties and helps subsidise the advice and standards mission
- investment continues to improve the sustainability of properties with better infrastructure
- tenants get detailed information on their energy use and responsible energy use is incentivised
- where possible local traders are used to provide services and improve buildings.

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

The charity has three key mission components from which everything else flows:

- helping students to make the best decisions about their housing - empowering consumers with information, help and support to build both the knowledge and confidence to assist them in negotiating the housing market within which they operate and decide what to rent
- improving standards - making Unipol's housing an exemplar of what others can achieve, including through:
  - operating accreditation to encourage others to meet high and relevant standards, and checking that they do
  - administering a robust complaints system for students who find themselves in difficulty advising on effective regulatory standards to complement and underpin what can be achieved voluntarily
  - helping peer-to-peer advice to be heard through virtual media and
  - running the Rate Your Landlord review site, where shared experience can reward the good and shame the bad
- importing its values into leading and assisting the student accommodation sector to evolve and improve.

### *Helping Students to Make the Best Decisions about their Housing*

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

Unipol runs a number of successful web-based services in order to assist both students and landlords. Web-based services are in a process of constant shift and need updating to remain relevant to students, most of whom are now digital natives. In this year these shifts can be summarised as:

- activity across the whole of the Unipol website <https://www.unipol.org.uk/Home> has seen a 17% increase in sessions and a 38% increase in users when compared to 2019. Much of this higher activity was recorded during the lockdown period through to the end of June 2020. The Unipol website was a main source of information for many working in the student accommodation sector and for students to access guidance around accommodation and the pandemic. A similar rise was seen in the use of Webchat.
- usage of the search facility of the main Unipol web site was considerably reduced as lockdown affected house hunting and the ability to visit properties from March. From August 2019 to February 2020 there were 110,945 searches undertaken (compared to 101,284 searches undertaken in 2019). By the end of the year, however, comparative searches had fallen by 35%.
- a 55% growth in users for <https://www.unipolhousing.org.uk/> This site was launched in December 2016 and centralises information on Unipol's own portfolio and tenant advice.
- the Rate Your Landlord project <https://www.rateyourlandlord.org.uk/> saw the target of harvesting a minimum of 1,000 new reviews being met with 1,079 reviews being acquired, no mean feat considering house-hunting virtually stopped between March and June. 2,321 reviews were therefore available under the service for 2020-2021. There was an average of 2,264 monthly

# UNIPOL STUDENT HOMES

## TRUSTEES' REPORT

sessions compared to 1,811 in the previous academic year, with the vast majority of users searching for landlord reviews.

- a 234% increase in users for <https://www.nationalcode.org/> the National Code website relating to Unipol's role as a regulator under the Housing Act 2004 together with a 233% increase in sessions There were 66,790 page views of the special pages on the Coronavirus pandemic from March to June 2020.

All of these website are free to access and, although income from landlord advertising continues to decline, usage of all the sites has considerably increased this year, showing Unipol's growing role in being a source of trusted information and advice to both landlords and students during a year of unpredictable change.

### *Improving Standards*

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

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

In Leeds 13,658, tenants benefit from the Leeds Code, in Nottingham 7,140 and in Bradford 266 tenants. The Codes run on a three year cycle and statistics relate to that cycle. Unipol inspects a significant sample of properties and in Leeds (since 2019) 535 properties have been inspected. In Nottingham (since 2018) 522 properties have been inspected and in Bradford (since 2020) 23 properties have been inspected. Inspections were reduced following lockdown.

Whilst the membership of the local Codes covering off-street bed spaces is stable, there is considerable growth in the Codes covering purpose built student accommodation (PBSA) and Unipol currently accredits 365,029 bed spaces (November 2020) up from 338,190 in September 2019 covering 2,179 developments in 94 different locations in the UK.

In the last year Unipol undertook considerable work in consulting on some new obligations under the National Codes and the Nottingham Code which was reviewed and updated.

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

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

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

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

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

# UNIPOL STUDENT HOMES

## TRUSTEES' REPORT

Unipol's training role <https://www.unipol.org.uk/training-and-events/all> has been curtailed by the current Coronavirus restrictions and all face-to-face events ended in February 2019. Since that time a number of on-line events have been held, free of charge, including the *National Student Accommodation Forum* which holds a 1 hour forum on topical issues every two weeks. These have been popular and the 40 spaces available have been fully booked. Unipol is particularly grateful to *CRM Students* for continuing their sponsorship throughout this year which has helped make these events possible.

### ***Strategic Report and Achievements and Performance - The 2019-2020 Year***

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

#### **Overview**

An overview of the charity's turnover and income across the previous six years shows that growth has varied from 5.4% (2015-2016 to 2016-2017) to 8.2% in both 2017-2018 and 2018-2019 and 3.3% in 2019-2020. A limited amount of the turnover increase (under 1%) reflects inclusive rents being set but these mainly took effect in 2018-2019.

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

#### *The Financial Framework*

The proportion of income that Unipol generates through rent continues to increase. In 2017-2018 it was 83%. In the 2018-2019 it rose to 87% and in 2019-2020 it is 88%. The charity can sustain the reduction in real term funding from other sources so long as its housing operation continues to operate successfully and voids are minimal. Housing continues to bear an increasing proportion of the charity's operational overheads and, looking forward, it is vital that rental revenue meets the overhead and operational expenditure required.

The revenue from the National Code is currently around £527K and these Codes now make a significant contribution to the organisation's output, overheads and mission.

This is against a backdrop where the charity's more traditional income from its Housing Hubs are all contracting and will continue to contract and where there may be reticence on the part of funding partners to continue contributions at their current (or increased) level. It is of note that although Covid-19 has re-emphasised the importance of the household and the residential experience, funding for services (particularly in the off-street market where 50% of students live) may reduce although current funding for the Hubs is agreed to the end of 2021.

The provision of family housing has always been a high priority for the charity, but both 2018-2019 and 2019-2020 saw the *Forward Look* conclusions being actioned which has reduced the level of subsidy to family housing. Generally, family housing is being upgraded to a higher product level with greater inclusivity of costs and higher rents.

#### *Operations during 2019-2020*

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

#### *Housing Hub*

The house hunting year was moved back from late January 2020 to 23rd November 2019, in response to student demand. This meant the whole of Unipol's housing logistics had to move back by two months and meant that the charity had a continuous run of relatively high pressure work from summer 2019 through to March 2020, rather than having a quieter period in late November until early January. Overall, the move of the date saw the website gain in usage and popularity (as reported earlier). The earlier date has been maintained for the 2020-2021 house hunting season, despite the current market uncertainties.

# UNIPOL STUDENT HOMES

## TRUSTEES' REPORT

The decision to base a Housing Advisor in the Leeds Hub has proved successful and has raised Unipol's advice profile and its partnership working, particularly with the students' unions and student services staff within institutions. It is planned, when financial certainty permits, to replicate this post in the Nottingham Hub.

The *Homestay* arrangements were renewed for a further three years with the University of Leeds. The initial three years, which saw Unipol take over this service from the University, was very successful (although from March Homestay ceased until travel and health restrictions are eased) but the service cost considerably more to run than originally anticipated. The next three year will see the service expand and receive funding that will cover actual costs.

The Hub services in Bradford were reviewed following a reorganisation of the University's housing provision. For a while it looked as though the service might end but clear messaging from the new Vice Chancellor has seen Unipol's role redefined and a five year agreement is now in the offing for Unipol to continue and expand its advice role in Bradford which Unipol's trustees have welcomed. The link with Bradford College has continued to be weak following a series of financial restructuring measures that has seen the College significantly downsize. Although a member of Unipol, the College has failed to take up its nominated trusteeship on the Board. Once arrangements with Bradford University are finalised then Unipol will turn its attention to redefining this relationship.

### *Unipol Housing*

Unipol's lettings were greater in volume than the previous year with £7,468K needing letting directly compared with £6,659K, an increase of 12%. Despite this growth, Unipol's lettings performance was stronger than in the previous year and in Leeds and Nottingham Unipol was fully let. Only in Bradford were there voids as the pandemic stopped later house hunting coupled with a significant decline in international students and this meant that Unipol's small development at Doris Birdsall Hall was only 60% let by the start of the autumn term.

It is unlikely that the earlier start date for house hunting made much difference to Unipol's own performance, although lettings were earlier. One unintended consequence was that the number of tenants retained fell to 21% compared with 30% in the previous year with the decrease in the number of retained tenants being linked to the much shorter lead-in time with the earlier house hunting start date.

The balance between underwritten arrangements with institutions and direct let properties (where Unipol bears the risk of voids) remained at 54% underwritten and 46% direct let. There was a shift towards arrangements with both the University of Leeds and Leeds College of Music and away from Leeds Beckett University. From July 2020 Leeds Arts University no longer has any underwrite arrangements with Unipol.

2019-2020 saw Unipol's overall tenant satisfaction rating (measured in early February 2020) dip very slightly on 2018-2019's record performance, declining from 84.2% to 84.05%. This was still an excellent rating and was the second highest score achieved (the highest being last year) since recording started fourteen years ago. In the words of the independent author:

*"Taken as a whole, the 2020 satisfaction scores are very positive. Alongside the many positive comments to be found in respondents' verbatim views are some personal accolades for members of staff who've clearly gone that extra mile."*

The results showed a considerable amount of consistency between types and locations of properties had been achieved in both the quality and management of the portfolio.

A great deal of operational work was undertaken acting on the changes previously agreed with the University of Leeds in housing students with dependents ("families"). The provision of family housing remains a high priority for the charity.

One of Unipol's main responses to the changing student cohort has been to invest greater resources in housing management and student support with more social activities, student care and mental health initiatives. Around £90K of additional staffing was made available in 2019-2020 by having a more focussed *Tenancy Support and Wellbeing* post, a new *Delivery and Development Officer* who oversees,

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## TRUSTEES' REPORT

trains, recruits and inspires a larger team of *Residents Assistants*. Two additional part time resources were also added: a *Housing Advisor* (based in the Leeds Hub) and 40% of a post to back-up the mental health and wellbeing capacity in tenancy support.

By 2020-2021 Unipol will have achieved its *Forward Look* ambition of training all of its staff appropriately in mental health first aid over and will have a coherent social and wellbeing programme for both family and single student tenants.

The charity also implemented its new housing management software package and integrating this with its financial software. This was a major piece of work that will stand the charity in good-stead to achieve better data analysis and management and provide the additional capacity needed within those systems for the growth that is anticipated.

This investment has built a sound foundation that should stand the charity in good stead to meet the challenges inherent in helping students make the transition from home to halls and from halls to houses, promoting inclusiveness and playing a greater role in meeting the challenge of social isolation, all within the restrictions of the Covid-19 "new normal".

Although, since March, Unipol's development programme has had to be scaled back, considerably progress has still been made during this year. Overall, Unipol spent £920K, less than half the £2m spent in 2018-2019 and this included:

(i) *the continuation of existing programmes of work: Dyers Court* now has 9 flats being used by families with remaining works on the other 8 flats to take place as they become vacant. *Argie Avenue Phase 2* saw Leeds City Council agreeing (in principle) a new lease until 2023 with a capital injection of £40K to undertake upgrade works to the flats and stairwells. *Summer Works* continued at *Burley Lodge Street, Ashville Grove (2 properties), Ashville Avenue* and *Hartley Avenue* together with the last phase of upgrading the *LFHA Portfolio* and some work in Nottingham at *Burns Street* and *Rothesey Avenue*. A total of £626K was invested.

ii) the upgrading of the bathrooms and some kitchens at *Woodsley Terrace* commenced and works being speeded up to take advantage of the lower level of occupancy from international families with a view to completing this during 2021.

iii) work on purpose-built future developments at *Sandhills* (332 bed spaces), *Oak House* (188 bed spaces) and *Carlton Hill* (606 bed spaces) due to come on line between 2020-2023 has been substantial. Over the period of this *Forward Look*, Unipol was seeking to establish a further 400-450 additional PBSA beds in Leeds and a further 600 in Nottingham. Although the time scale has slipped a year, the net growth achieved of 893 bed spaces is getting closer to the 1,000-1,050 envisaged. Developing an additional building in Nottingham will remain an important priority.

iv) the purchase and refurbishment of 15B Victoria Terrace Leeds at a cost of £185K, the only property acquired during the year.

### *Accreditation and the National Code*

The year saw a review of standards for both the Bradford and Nottingham local Codes and funding was again obtained from both Nottingham City Council and Leeds City Council in difficult financial times for them.

Considerable work has been undertaken within the National Codes framework with DfE and MHCLG on late buildings, mental health and wellbeing and a number of matters relating to health and safety as well as the initial stages of the three-yearly review of the private providers Code. Unipol has also worked closely with both the National Union of Students (NUS) and the British Property Federation (BPF) on a number of initiatives.

The end of the current year saw the building of an enhanced National Codes team with greater involvement by the Assistant Chief Executive - Standards and a new National Codes Officer assisting the existing National Codes Administrator. Additional resources were also made available to examine rent refunds, late buildings and deal with the post-Cube fire fallout.

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### Risk, Unipol's Forward Strategy and Going Concern

At present, Covid-19 presents an enormous risk to both public health and the economy and therefore to Unipol.

Unipol's operational strategy for 2020-2021 was based on an uninterrupted academic year taking place (albeit a very different one). It was obviously possible to plan strategically for a variety of much less favourable scenarios but the problems associated with doing this are:

- whatever scenarios are developed are likely to be inaccurate
- although there has been a second lockdown this has not affected demand for Unipol's student accommodation at this stage
- future restrictions are likely to be local and local arrangements previously allowed higher educational institutions to continue functioning.

Some reassurance can be garnered from the fact that in September 2020 the vast majority of home undergraduates wanted to study away from home (as they had originally planned) and, despite a move over the first term to increasing the proportion of on-line teaching, student occupation of their accommodation remains high.

Although there has been a small increase in first year commuter students, this has been offset by the 4% growth in the number of home undergraduates for 2020-2021.

In the longer term, the demographic upswing in the number of 18 year olds from 2020 can also be expected to see home undergraduate growth continue unless the age participation rate falls or the Government limits the number of student places available. The short term problems associated with the significant reduction in international students are likely to be a one-off effect with the overall trend of rising international student recruitment continuing (acceptances were 8% up before the pandemic struck).

Longer term risk may have been reduced by the emergence of a Covid-19 vaccine which could see the pandemic being significantly tackled by the 2021-2022 academic year, such as to make that year a relatively normal experience.

In the current 2020-2021 academic year, however, there remains a chance of academic disruption (probably at its highest in January 2021 when there could be a call to move to all on-line teaching from home affecting the second term and the possible loss, or refund, of rental income).

In April 2020 Unipol's Board examined a number of scenarios that modelled a whole term of 2020-2021 not taking place and accommodation not being needed and on the basis of previous refunds made a possible liability of £650K was identified (around £100K more than the net effect of rent refunds already given between April-September 2020). The Board agreed that it was important for the charity to plan to have sufficient cash reserves to see it through this scenario and Unipol has taken steps to have access to loan financing that would enable that.

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

- to make use of Unipol's role as a central and engaged national player to gain high quality intelligence and use this to assess how students are likely to react to the pandemic
- to obtain good intelligence about the plans the educational institutions (whose students Unipol houses) are developing and use this to identify and mitigate risk
- to maintain an investment programme so that future lettings are not compromised and refurbishment capacity is not lost: this flow of work also improves contractor loyalty and service
- to reduce the acquisitions process until the forward year is clearer and to maintain flexibility on future capital spend
- to define actual and known risk as closely as possible.

The evidence, so far, is that Unipol's housing occupancy is high and students are meeting their rent obligations. There is a 40% void in Unipol's sole property in Bradford, there are some enhanced cleaning and security costs and there will be a higher rate of empty shared student rooms and family flats (although most of this risk is borne by the University of Leeds).

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There are some savings that will be achieved from lower levels of capital works and a reduction in the cost of repairs and utilities in under-occupied properties and flats. Overall, without a significant intervention by the Government to close down higher education campuses, Unipol is on track to return a small operational surplus in 2020-2021 whilst making its full budgeted contribution to its major works reserve.

The nature of Unipol's portfolio has also proved resilient. All of Unipol's flats and houses have attractive communal spaces and many have good outside space - this has stood the charity in good stead during periods of restriction or self-isolation. Unlike most PBSA providers, around 50% of Unipol's portfolio is not occupied by first year students (who are more likely to return home) and, as has been mentioned previously, although Unipol houses international students, it is not bearing the risk on that part of its portfolio.

There is naturally anxiety that the house hunting process for 2021-2022 will be slower making letting levels difficult to predict, but initial levels of letting in November 2020 indicate that next year's lettings are going well. Unipol's trustees have implemented a "Peace of Mind" promise that will allow students to pull out of any contractual obligation by March 1st 2021 without penalty. Although this offer is also a risk, the considered view is that this will encourage responsible lettings and that, barring some heightened public health problem looming early next year, few students will choose to take up this option. This promise has been welcomed by potential future tenants and their parents alike.

Unipol is sticking with its *Forward Look* plan and it has been dealing with Covid-19 as an operational, rather than a strategic, matter. The evidence is that organisations that are approaching the pandemic in this way are doing better than those who develop theoretical strategic options that prove to be inaccurate in the face of reality and that occupies vital senior management time in constantly adjusting and reconfiguring those plans.

In May 2020 Unipol identified five stages that its trustees needed to consider along a timeline related to Covid-19. (Based on "Coronavirus: 15 emerging themes for boards and executive teams by McKinsey Insights" <https://www.mckinsey.com/business-functions/risk/our-insights/coronavirus-15-emerging-themes-for-boards-and-executive-teams?cid=soc-web#>)

The first three of these stages *Resolve*, *Resilience* and *Return* are now past milestones and the charity is now in the *Reimagination* stage which covers "A shock of this scale will create a discontinuous shift in the preferences and expectations of individuals as citizens, as employees, and as consumers. Other effects could prove even more significant as the pursuit of efficiency gives way to the requirement of resilience - the end of supply-chain globalization, for example, if production and sourcing move closer to the end user. Decisions about how far to flex operations without loss of efficiency will need to be taken."

One of Unipol's values emphasising favouring local traders and contractors already fits into this likely change and this is already bringing benefits of more reliable supply chains with works being undertaken more reliably than others are experiencing.

Some aspects of *reimagining* have been outlined in respect of the 2021-2022 budget .

The fifth phase is *Reform*, with the aftermath of the pandemic providing an opportunity to learn from a plethora of social innovations and experiments. To some extent the *Reform* process will be the starting point for the next *Forward Look*.

### Financial Review

The charity's bottom line for 2020 shows a deficit of £169,818: the result of a rebate of rent to tenants as a result of Covid-19 which cost £555,460 depressing an otherwise strong rental income with expenditure on the major works reserve being £173,933 lower than the contribution for the year. The charity has total funds of £5,060,165 (2019: £5,229,983), reduced by the deficit for the year.

Unipol now holds £4,460,612 (2019: £4,804,363) of its unrestricted funds in an undesignated form to offset cash demands within the organisation. The trustees and management considered the funding

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arrangements of the charity during the year and continue to operate an overdraft arrangement for working capital requirements. Significant investment in the Charity's own assets and longer term lease properties continues by means of ring-fenced loan funding.

Charities of this type, which are fixed asset rich and generate significant rental income on a monthly basis, often have net current liabilities and consequently negative free reserves. The group has net current liabilities of £3,633K (2019: £4,109K) and is in a negative free reserves position, however; as part of management's going concern assessment it has produced cash flow forecasts that show adequate funding for the future, including the next 12 months. It is the Charity's intention to continue to improve its unrestricted reserves and reduce its net current liabilities over the medium term.

The *Policy on Reserves* is that the charity will continue to accumulate its unrestricted funds to improve cash flow whilst investing in property to provide a strong and growing asset and reserves base (if liquidated) for the charity.

Unipol's fixed assets decreased by £159,673 in the year from £14,512,782 (2019) to £14,353,109.

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

### Future Plans

#### *Finance*

The charity is now almost exactly half way through its current *Forward Look* period. Looking at the 2020-2021 budget there are a number of areas of movement caused by Covid-19 which not only directly affect operations and costs and revenue but have acted as a catalyst in some of Unipol's institutional and Government relationships, speeding up and clarifying decision-making processes.

The areas of anticipated budgetary changes are:

- a number of short-term staff savings have been made
- the rent refunds offered in August and September have been factored into rental revenue
- Argie Avenue Phase 2 remains in the portfolio whereas previously this was not included
- Unipol's new leased development in Nottingham, Sandhills, has been more fully budgeted in its opening year sees an enhanced surplus
- additional security, cleaning and some Covid-secure costs have now been included
- additional anticipated income is expected from the National Code
- it has been assumed that conferences do not operate during 2020-2021 and that there are therefore some additional savings within marketing.

The 2020-2021 budget contains some significant contingencies: a void provision of £252K and a depreciation contingency of around £60K and these remain.

The prognosis on the 2020-2021 budget is that there will be a net reduction to the overall surplus planned from the £110K originally budgeted to £58K. The charity's Financial Affairs and Staffing Committee will consider the budget in the light of the Q2 (half-yearly) actual to budget performance in 2021 and will then decide whether a fuller revised budget is required (when many of the risks will either be passed or better defined).

#### *Sandhills*

Unipol's new leased development in Talbot Street Nottingham for 332 students in shared student flats opened on 18th September 2021, considerably later than planned but in time to house students for the 2020-2021 academic year. 30 students who had planned to occupy their rooms from 1st September agreed to delay their arrival with appropriate compensation for doing so being met by the developers.

At the time of writing this report (mid-November 2021) the building has been occupied for two months and has been appreciated by its tenants and by Nottingham Trent University who underwrote 270 rooms in

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the opening year. They have indicated that it is likely they will underwrite a similar number of rooms for its first year students for next year. The building is well designed and has good social spaces (both shared communal spaces on the ground floor consisting of a lounge area, a quiet working area, a demonstration kitchen and a gym and within each flat with clearly defined kitchen and lounge areas) which has stood it in good stead during periods when student socialising has been restricted to their residences. The development also has a pleasant courtyard and an outside space for seating at the front of the building. The development is well-priced, being in the middle of the Nottingham rent structure, and is thought to be good value for money by its tenants and their parents.

As was anticipated, Sandhills represents a quantum leap for the Unipol Nottingham service. The current year has already seen capacity increased within the Nottingham office to take on this additional load with a Housing Team Leader being appointed to oversee this process.

Unipol is now managing 648 bed spaces in Nottingham (up from 270 last year). Unipol has also purchased one further 6 bed property at Lenton Boulevard, its only property purchase this year, taking the number of tenants in Unipol owned houses up to 26. With Sandhills, Unipol now has an additional office, a central store, five Residents Assistants who can help tenants (up from one) and is building a larger property management infrastructure with a greater call and reach on local contractors. The strategic aim is to develop another building in Nottingham to raise that number by 2024 to around 1,000 bed spaces.

### *Property Based Developments*

During 2019-2020 terms were agreed with the owners on a new 25 year lease for *Alexander Court* which Unipol had already leased for 25 years. The new lease provides for rental discounts allowing for a refurbishment of the building during summer 2021.

Unipol has leased a new 188 bed development, *Oak House*, geared ideally at postgraduates, consisting of a number of cluster flats together with good communal space, located in the popular area of Little Woodhouse in Leeds. The development is due to come on line (Covid permitting) in mid-September. At present, Unipol has no arrangement to let this through an institution (although that may be forthcoming) and so marketing is being put in place for January 2021.

The additional bed spaces gained at *Oak House* help to balance out the 234 bed spaces lost at *Carlton Hill* which is scheduled for demolition. The plan is for a new 606 bed development to be built on that site in a partnership with a developer and the University of Leeds, geared to provide affordable accommodation for their first year students. The development now has planning permission and a 25 year lease and an Agreement for Lease are likely to be finalised by the end of 2020.

During the year Unipol will need to take a view on whether to extend the lease on *New York Buildings* (with 2 years to go on the existing lease). Unipol would also like to extend the current Management Agreements with Connect on *Shay Street and Holborn Terrace* from 2023 to 2029 (the end of the current Leeds City Council lease) which would enable a significant refit of the kitchens and bathrooms to be undertaken on a rolling programme.

### *Social Activity, Mental Health and Wellbeing*

The main social unit for most students, certainly in the first term of 2020-2021 has been their household - placing accommodation at the centre of their non-teaching lives. Unipol is continuing to invest in a variety of social activities and events (within social distancing parameters) and is continuing to offer tenancy support to those students experiencing problems. The charity has recognised that its tenancy support function needs further additional resources and agreed to appoint a second *Tenancy Support and Wellbeing Officer* who will operate (assuming the academic year continues with no further problems) from January 2021.

### *Loan Financing*

The current overdraft arrangements behind Unipol's operating capital expires in February 2021 and it is planned that by the end of 2020 Unipol will have secured agreement to extend this arrangements. At the beginning of 2020 Unipol had its owned properties (and later its shared leased properties) revalued to ensure insurance cover was adequate. 69 owned properties containing 102 separate units and a total of 346 bed spaces were revalued as £21,897,000. Overall the uplift on the value of the entire portfolio was 31%. Based on a 65% loan to value ratio (as at 31st July 2020) the available security to the charity, if it

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needed future loan funding, was estimated at £5.8m. Unipol has reviewed its banking arrangements and still has significant loan headroom for 2020-2021.

### *Financial Administration*

The pandemic has highlighted the importance of the finance team and its outputs and that team continues to need strengthening in its day-to-day management. The management of utilities is still proving to be very thirsty of staff time and some responsibility for day-to-day management will be devolved down from the Finance Manager who has other things to do. An additional resource will be recruited to assist in the operation of utilities.

### *Communications and IT*

This area will be subject to a significant review with three key areas to explore:

a) As technology becomes more specialised more “bought in” work is taking place. As a first stage Unipol is currently planning to outsourcing two areas of IT work: the first is to manage a project to migrate the email system onto a new version before the end of 2020; the second area is to create an ongoing relationship with a specialist company that would provide high level support directly to IT staff, this would be around work such as server/software configuration, troubleshooting and offering strategic advice to inform future purchase and development decisions.

b) The current marketing role still has a split between student engagement and straight marketing. Originally, marketing of Hub services was an important part of the marketing function but that role is fading. Student engagement is also becoming more general throughout the organisation and the *Delivery and Development Officer* also undertakes work in this area. It may well be that the communications role needs a rethink with resources redeployed.

c) The Communications and IT Committee needs beefing up with external members so that it can operate in a manner similar to the Portfolio Committee. This is not just about governance and scrutiny but about having creative and dynamic discussions within that forum.

## **Structure, Government and Management**

### *Structure*

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

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

### *Governance - The Board*

The Board met 8 times during the year, twice more than the normal six meetings, in response to the coronavirus pandemic. One of the meetings included a visit to a selection of Unipol properties.

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

The Board places a high value on the processes for the recruitment and induction of trustees by stressing the individual aspect of becoming a trustee and giving adequate time and energy to being a trustee. All trustees, on appointment, receive a substantial pack of information about the charity, including key policy and procedure documents, information about the powers of the Board, and how those powers are exercised, the details of the devolution of specific responsibilities to Officers of the Board, the Chief Executive and senior staff members and they also meet the Chair. The Company Secretary is available to

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deal with any specific issues relating to this pack and trustees confirm to the Board at the first available opportunity that they have read and understood the material sent to them.

All trustees also receive a full day's dedicated induction. The day consists of an opportunity to meet the senior management team, talk with the Chief Executive, take part in an induction presentation that outlines the financial and administrative structure of the charity. In normal years this would also involve a visit to some properties but has not been possible because of restrictions imposed by the pandemic. This year in addition to the internal induction, a dedicated training day facilitated by NCVO took place on *How to Be an Effective Trustee*.

The charity runs a trustee review process with trustees reviewing each other in a structured manner with the aim of improving both their contribution to the charity and their governance role. This year, a new externally facilitated review process was planned and is due to take place early in the next financial year.

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

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

After a period without a Treasurer, the Board co-opted a new Treasurer in June 2019 but unfortunately, this appointment was unsuccessful, and they were deemed resigned at the Board meeting on 8th April 2020.

Mr David Collett resigned from the Board with effect from the 20th December 2019 following his retirement from Leeds Beckett University. David Collett joined the Board on the 7th July 2009 and was an active trustee contributing to the strategic direction of the organisation. David is a member of the Financial Affairs and Staffing Committee and has agreed to stay on as a member of that Committee for a further year so he will maintain a link with the charity.

Ms Nichola Verity, the Deputy Chief Executive, was the Company Secretary during the year but on her return from maternity leave Ms Victoria Tolmie-Loverseed, Assistant Chief Executive - Standards, resumed this role from April 2020 onwards.

### *Group on Governance*

The *Group on Governance* met twice during this year making the following changes:

- adjusted the Board and Committee purposes and cycles following the earlier start date of the lettings cycle to enable better phasing of decision-making on setting rents and setting the annual budget
- finalised and approved Unipol's response to the Charity Ethical Principles published by NCVO
- finalised and approved NCVO undertaking the Board member review process

### *Senior Management Team*

In May 2020 the Development Manager was promoted to be *Assistant Chief Executive - Development*, reflecting the growing importance of this role and resource in terms of future strategic planning and the delivery on buildings commissioned. This increases to Senior Management Team to eight.

The Chief Executive's three yearly salary review took place through the annual meeting of the *Review and Remunerations Committee* but the salary review was, at the request of the Chief Executive, postponed for a year as being inappropriate at this time.

### *Policies and Commitments*

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

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<http://www.unipol.org.uk/footer/governance/corporate-documents-unipol-board/health-and-safetypolicy-for-housing>

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

Ms Hannah Brian took over as chair of the *Health and Safety Review Board* from Mr Robert Sladdin who had agreed to chair this for the year following his resignation as a trustee from the Board. As the Review Board reports first to the Portfolio Committee, Ms Brian was added to its membership.

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

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

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

### Investment Powers

The Articles of Association of the charity permit wide powers of investment. The borrowing threshold set within the charity's powers is £15 million although the amount currently being borrowed at this time stood at £5,927,295 (2019: £5,341,037).

### Principal Risks and Uncertainties

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

The risk analysis was last undertaken in December 2019, before the coronavirus pandemic, and was revised to take into account risks that have both reduced and increased over the last year. Red risks tended to relate to matters outside of Unipol's control. The three Red Risks identified (Down from four the previous year) related to:

- the housing service in Nottingham as it expands to include Sandhills (new letting risk)
- risk of damage and injury from fire
- the fluctuating public policy associated with Fire Risk Assessments in residential buildings.

One previously red risk had reduced: the likelihood of a compromise of a Unipol run system or application was re-categorised as amber.

Many risks that had reduced related to the view being taken for 2018-2019 and 2019-2020. If a longer view was taken then risk levels would inevitably increase, as would the effectiveness of responses.

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

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

### **Conclusion**

The current structure of the organisation is working well and has been well-tested by the pandemic: each area of the charity delivered on what it was meant to do and delivered well. Together with the Chief Executive, the important coordinating role undertaken by the Deputy Chief Executive, just a year into her post, should not be underestimated. The Deputy Chief Executive and the Director of Finance are vital to

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the success of the organisation and Unipol has two staff who jointly represent invaluable assets. Trustees place on record their acknowledgement of and thanks for the resilience and hard work of all the staff team.

Looking at how the charity responded to the March lockdown and how it treated its tenants: communication with tenants was good and not a single complaint was received about the path of action Unipol's trustees decided upon. The charity did not make the mistake of offering an incentive to students to leave Leeds, Nottingham or Bradford and was seen to have behaved fairly.

Despite the challenges of the times, and the stresses this has placed within the organisation, the charity has coped well with the risks that appeared and has not been blown off course in what it set out to do. Throughout the year Trustees have been fully engaged with the Charity, including in the two additional "single agenda" special Board meetings that were held to deal with the significant challenges raised by the pandemic. Those meetings were high quality with considerable involvement and input.

Unsurprisingly, there are no predictions being made about what may happen over the 2020-2021 year, but this report has listed some risks that can be prepared for, the strategic framework that is being followed and some future developments that will take place. It is intended that will place the charity in good stead for what will lie ahead: balancing resilience and creativity productively.

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### TRUSTEES' REPORT STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

Approved by the Board of Directors and signed on behalf of the Board on 10th December 2020 by

Mr Michael Wilkinson

Mr Ian Robertson

155/157 Woodhouse Lane, Leeds, LS2 3ED

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

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

### **Opinion**

We have audited the financial statements of Unipol Student Homes (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 July 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent 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**

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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.

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

## **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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

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

**December 2020**

**UNIPOL STUDENT HOMES**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**Year ended 31 July 2020**

	<b>Note</b>	Unrestricted funds	Restricted funds	<b>Total 2020</b>	Total 2019
		£	£	£	£
<b>Income</b>					
Charitable activities	4/27	11,556,707	94,100	<b>11,650,807</b>	<b>11,295,337</b>
Other trading activities	5	-	18,000	<b>18,000</b>	<b>18,000</b>
Investments	6	2,151	-	<b>2,151</b>	<b>622</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Income</b>		11,558,858	112,100	<b>11,670,958</b>	<b>11,313,959</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditure</b>					
Charitable activities	7/27	11,728,676	112,100	<b>11,840,776</b>	<b>11,380,745</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Expenditure</b>		11,728,676	112,100	<b>11,840,776</b>	<b>11,380,745</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net (Deficit)/Surplus</b>	10/27	(169,818)	-	<b>(169,818)</b>	(66,786)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Income/(Expenditure) to Designated funds</b>		173,933	-	<b>173,933</b>	(134,000)
<b>Net (Expenditure)/Income to Other Charitable funds</b>		(343,751)	-	<b>(343,751)</b>	67,214
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET MOVEMENT IN FUNDS</b>		(169,818)	-	<b>(169,818)</b>	(66,786)
<b>Total funds brought forward at 1 August</b>	21	5,226,795	-	<b>5,226,795</b>	5,293,581
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds carried forward at 31 July</b>	21	5,056,977	-	<b>5,056,977</b>	<b>5,226,795</b>
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

All income and expenditure derive from continuing activities.

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

**UNIPOL STUDENT HOMES  
CONSOLIDATED AND CHARITY BALANCE SHEET  
31 July 2020**

	Note	2020 Group £	2019 Group £	2020 Charity £	2019 Charity £
<b>FIXED ASSETS</b>					
Tangible assets	14	<b>14,353,109</b>	14,512,782	<b>14,353,109</b>	14,512,782
Investment	15	-	-	<b>1</b>	1
		<b>14,353,109</b>	14,512,782	<b>14,353,110</b>	14,512,783
<b>CURRENT ASSETS</b>					
Stock	16	<b>2,038</b>	22,738	<b>2,038</b>	22,738
Debtors	17	<b>1,350,621</b>	1,112,306	<b>1,353,808</b>	1,115,493
Cash at bank and in hand		<b>103,520</b>	77,516	<b>103,520</b>	77,516
		<b>1,456,179</b>	1,212,560	<b>1,459,366</b>	1,215,747
<b>CREDITORS: amounts falling due within one year</b>	18	<b>(5,089,276)</b>	(5,321,244)	<b>(5,089,276)</b>	(5,321,244)
<b>NET CURRENT LIABILITIES</b>		<b>(3,633,097)</b>	(4,108,684)	<b>(3,629,910)</b>	(4,105,497)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>10,720,012</b>	10,404,098	<b>10,723,200</b>	10,407,286
<b>CREDITORS: amounts falling due after more than one year</b>	19	<b>(5,663,035)</b>	(5,177,303)	<b>(5,663,035)</b>	(5,177,303)
		<b>5,056,977</b>	5,226,795	<b>5,060,165</b>	5,229,983
<b>FUNDS</b>					
Unrestricted funds:					
Designated funds	20/21/22	<b>599,553</b>	425,620	<b>599,553</b>	425,620
Other Charitable funds	20/21/22	<b>4,457,424</b>	4,801,175	<b>4,460,612</b>	4,804,363
		<b>5,056,977</b>	5,226,795	<b>5,060,165</b>	5,229,983

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for the circulation to members of the company.

The notes at pages 29 to 45 form part of these accounts

These financial statements were approved by the Board on December 2020

Signed on behalf of the Board

M Wilkinson

I Robertson

**UNIPOL STUDENT HOMES**  
**CONSOLIDATED CASH FLOW STATEMENT**  
Year ended 31 July 2020

	Note	2020 £	2019 £
Net cash inflow from operating activities	A	983,106	1,279,144
Returns on investments and servicing of finance	B	(213,037)	(189,815)
Capital expenditure	C	(920,285)	(1,966,185)
Net cash (outflow) before use of financing		(150,216)	(876,856)
Management of financing	D	176,220	741,572
(Decrease)/Increase in cash	E	26,004	(135,284)

**NOTES TO CASH FLOW STATEMENT:**

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

	2020 £	2019 £
(Outgoing)/Incoming resources for the year before unrealised gains	(169,818)	(66,786)
Interest receivable	(2,151)	(622)
Interest payable	216,342	195,552
Depreciation charges	1,079,958	1,101,919
Increase in stock	20,700	(12,214)
(Increase)/Decrease in debtors	(238,315)	169,588
Increase/(Decrease) in creditors	76,390	(108,293)
<b>Net cash inflow from operating activities</b>	<b>983,106</b>	<b>1,279,144</b>

**B. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	2020 £	2019 £
Interest received	2,151	622
Interest paid	(215,188)	(190,437)
<b>Net cash outflow on investments and servicing of finance</b>	<b>(213,037)</b>	<b>(189,815)</b>

**C. NET CAPITAL EXPENDITURE**

	2020 £	2019 £
Purchase of fixed assets	(920,285)	(1,966,185)
<b>Net cash outflow on capital expenditure</b>	<b>(920,285)</b>	<b>(1,966,185)</b>

**D. MANAGEMENT OF FINANCING**

	2020 £	2019 £
(Decrease)/Increase in overdraft	(410,038)	251,027
Increase in bank loans	586,258	490,545
<b>Net cash inflow from financing</b>	<b>176,220</b>	<b>741,572</b>

**UNIPOL STUDENT HOMES**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**Year ended 31 July 2020**

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

	<b>2020</b>	2019
		£
Increase/(Decrease) in cash in the year	<b>26,004</b>	(135,284)
Cash inflow from financing	<b>(176,220)</b>	(741,572)
	<hr/>	<hr/>
Movement in debt in the year	<b>(150,216)</b>	(876,856)
Net debt at 1 August	<b>(6,588,204)</b>	(5,711,349)
	<hr/>	<hr/>
<b>Net debt at 31 July</b>	<b>(6,738,420)</b>	(6,588,204)
	<hr/> <hr/>	<hr/> <hr/>

**Analysis of net debt**

	1 August 2019 £	Cash flow £	Non-Cash Movement £	31 July 2020 £
Cash at bank and in hand	77,516	26,004	-	<b>103,520</b>
Increase in overdraft	(1,324,683)	410,038	-	<b>(914,645)</b>
Debt due within one year	(784,972)	(91,800)	-	<b>(876,772)</b>
Debt due after one year	(4,556,065)	(494,458)	-	<b>(5,050,523)</b>
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>(6,588,204)</b>	<b>(150,216)</b>	-	<b>(6,738,420)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

# UNIPOL STUDENT HOMES

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 July 2020

#### 1. ACCOUNTING POLICIES

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

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

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

##### **Accounting convention**

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

##### **Basis of consolidation**

The group financial statements comprise the results of the Charity and its subsidiary on a line by line basis, for the year ended 31 July 2020.

##### **Preparation of financial statements – Going Concern basis**

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

Although the majority of income comes from rent receivable, Unipol's market is split into new to Leeds, Bradford and Nottingham, returning students and family accommodation and this together with institutions underwriting some of the lettings aims to mitigate the risk of one of the markets declining. On the costs side Unipol lease and management agreements annually increase in a variety of ways with some being fixed inflators and some RPI inflators, to minimise both the risk of high inflation increases and possible deflation.

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

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

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

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

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

# UNIPOL STUDENT HOMES

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 July 2020

#### 1. ACCOUNTING POLICIES (continued)

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

#### **Fund accounting**

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

#### *Unrestricted funds – Designated funds*

Designated funds consist of the following reserve:

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

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

#### *Unrestricted funds – Other Charitable funds*

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

#### *Restricted funds*

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

#### **Incoming resources**

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

#### **Operating leases**

Rental costs under operating leases are charged to the Statement of Financial Activities in equal amounts over the lease term.

#### **Allocation of costs**

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

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

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

#### **Provision for doubtful debts**

Provision is made for rents due from the tenants and former tenants which may prove to be irrecoverable. Any such debts are written off at the final discretion of the Board.

#### **Stock**

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

#### **Taxation**

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

**UNIPOL STUDENT HOMES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 July 2020**

**1. ACCOUNTING POLICIES (CONTINUED)**

256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Tangible fixed assets**

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

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

**Depreciation**

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

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

**Assets under the course of construction**

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

**Investments**

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

**Pension schemes**

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

**UNIPOL STUDENT HOMES**  
**NOTES TO THE GROUP FINANCIAL STATEMENTS**  
**Year ended 31 July 2020**

**2. LEGAL STATUS OF THE CHARITY**

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

**3. FINANCIAL PERFORMANCE OF THE CHARITY**

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

The summary financial performance of the charity alone is:

	<b>Total 2020</b>	Total 2019
	£	£
<b>Income</b>		
Charitable activities	<b>11,650,807</b>	11,295,337
Other trading activities	<b>18,000</b>	18,000
Investments	<b>2,151</b>	622
	<hr/>	<hr/>
<b>Total Income</b>	<b>11,670,958</b>	11,313,959
	<hr/>	<hr/>
<b>Expenditure</b>		
Charitable activities	<b>(11,840,776)</b>	(11,380,745)
	<hr/>	<hr/>
<b>Total Expenditure</b>	<b>(11,806,137)</b>	(11,380,745)
	<hr/>	<hr/>
<b>Net (Expenditure)/Income</b>	<b>(169,918)</b>	(66,786)
Gain on disposal of tangible assets	-	-
	<hr/>	<hr/>
<b>NET MOVEMENT IN FUNDS</b>	<b>(169,918)</b>	(66,786)
<b>Total funds brought forward at 1 August</b>	5,229,983	5,296,769
	<hr/>	<hr/>
<b>Total funds carried forward at 31 July</b>	<b>5,060,165</b>	5,229,983
	<hr/> <hr/>	<hr/> <hr/>
<b>Represented by:</b>		
<b>Unrestricted income funds</b>	<b>5,060,165</b>	5,229,983
	<hr/>	<hr/>
	<b>5,060,165</b>	5,229,983
	<hr/> <hr/>	<hr/> <hr/>

**UNIPOL STUDENT HOMES**  
**NOTES TO THE GROUP FINANCIAL STATEMENTS**  
**Year ended 31 July 2020**

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted £	Restricted £	2020 £	Unrestricted £	Restricted £	2019 £
Unipol Housing	10,283,507	-	10,283,507	9,831,420	-	9,831,420
Housing Hubs	412,847	55,000	467,847	491,989	46,241	538,230
Code of Standards	67,064	39,100	106,164	125,229	39,100	164,329
National Code of Standards	526,968	-	526,968	485,173	-	485,173
Property Management	228,368	-	228,368	216,503	-	216,503
Conference	37,953	-	37,953	59,682	-	59,682
	<u>11,556,707</u>	<u>94,100</u>	<u>11,650,807</u>	<u>11,209,996</u>	<u>85,341</u>	<u>11,295,337</u>

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

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

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

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

Bradford receives funding from Bradford University and Bradford College.

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

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

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

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

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

**UNIPOL STUDENT HOMES**  
**NOTES TO THE GROUP FINANCIAL STATEMENTS**  
**Year ended 31 July 2020**

**5. INCOME EARNED FROM OTHER ACTIVITIES**

	2020 £	2019 £
Sponsorship	<u>18,000</u>	<u>18,000</u>
	<u>18,000</u>	<u>18,000</u>

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

**6. INVESTMENT INCOME**

The group's investment income of £2,151 (2019: £622) arises from money held in interest bearing bank accounts.

**7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	Unipol Housing £	Housing Hubs £	Code of Standards £	National Code of Standards £	Property Management £	Conference £	2020 Total £
Direct Costs	2,131,732	46,283	22,539	168,983	25,532	20,000	2,415,069
Repairs & Refurbs	1,722,604	22	-	-	2,867	-	1,725,471
Staffing	790,911	125,123	51,405	149,016	135,398	20,029	1,271,882
Lease & Management charges	3,50,341	-	-	-	-	-	3,530,341
Major Works	108,865	-	-	-	-	-	108,865
Loan interest	216,342	-	-	-	-	-	216,342
Depreciation	957,180	-	-	-	-	-	957,180
Support	812,278	435,765	76,162	120,142	62,751	21,892	1,528,990
Governance	<u>44,337</u>	<u>12,148</u>	<u>3,831</u>	<u>19,187</u>	<u>5,307</u>	<u>1,826</u>	<u>86,636</u>
	<u>10,314,590</u>	<u>619,319</u>	<u>153,937</u>	<u>457,328</u>	<u>231,855</u>	<u>63,747</u>	<u>11,840,776</u>

	Unipol Housing £	Housing Hubs £	Code of Standards £	National Code of Standards £	Property Management £	Conference £	2019 Total £
Direct Costs	1,672,650	86,992	50,004	155,021	23,106	31,457	2,019,230
Repairs & Refurbs	1,468,236	22	-	-	17	1,142	1,469,417
Staffing	748,728	125,000	60,688	147,226	130,092	19,151	1,231,385
Lease & Management charges	3,592,040	-	-	-	-	-	3,592,040
Major Works	410,395	-	-	-	-	-	410,395
Loan interest	195,552	-	-	-	-	-	195,552
Depreciation	965,463	-	-	-	-	-	965,463
Support	768,158	377,288	67,179	110,231	60,034	18,475	1,401,365
Governance	<u>50,103</u>	<u>14,098</u>	<u>3,057</u>	<u>21,087</u>	<u>6,138</u>	<u>1,415</u>	<u>95,898</u>
	<u>9,871,325</u>	<u>603,900</u>	<u>180,928</u>	<u>373,940</u>	<u>219,387</u>	<u>71,640</u>	<u>11,380,745</u>

Expenditure on charitable activities was £11,840,776 (2019: £11,380,745) of which £11,728,676 (2019: £11,277,404) was unrestricted and £112,100 (2019: £103,341) was restricted.

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

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

	Unipol Housing £	Housing Hubs £	Code of Standards £	National Code of Standards £	Property Management £	Conference £	Total £
Costs	(10,314,590)	(619,319)	(153,937)	(457,328)	(231,855)	(63,747)	(11,840,776)
Rent	10,771,473	-	-	-	(1,030)	-	10,770,443
Covid Net Rebate	(555,460)	-	-	-	-	-	(555,460)
Subventions & College Fees	-	249,210	39,100	-	-	-	288,310
Fees	-	134,620	67,064	516,491	24,536	35,870	778,581
Membership Fees	-	42,8920	-	-	-	2,083	44,975
Commission	-	-	-	-	202,326	-	202,326
Sundry Income	<u>67,494</u>	<u>41,125</u>	<u>-</u>	<u>10,477</u>	<u>2,536</u>	<u>-</u>	<u>121,632</u>
Net Cost	<u>(31,083)</u>	<u>(151,472)</u>	<u>(47,773)</u>	<u>69,640</u>	<u>(3,487)</u>	<u>(25,794)</u>	<u>(189,969)</u>

**9. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS**

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

	Support £	Governance £	2020 Total £	Support £	Governance £	2019 Total £
General Office Costs	312,187	-	312,187	301,294	-	301,294
IT Expenditure	299,092	-	299,092	226,886	-	226,886
Staff Costs	735,331	61,763	797,094	668,731	62,148	730,879
Depreciation	122,778	-	122,778	136,456	-	136,456
Other Finance Charges	59,603	-	59,603	67,998	-	67,998
Audit	-	<u>24,873</u>	<u>24,873</u>	-	<u>33,750</u>	<u>33,750</u>
Net Cost	<u>1,528,990</u>	<u>86,636</u>	<u>1,615,626</u>	<u>1,401,365</u>	<u>95,898</u>	<u>1,497,263</u>

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

**UNIPOL STUDENT HOMES**  
**NOTES TO THE GROUP FINANCIAL STATEMENTS**  
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**10. NET INCOME/(EXPENDITURE) FOR THE YEAR**

This is stated after charging:	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Auditor's remuneration: audit of these financial statements	<b>24,873</b>	33,750
Interest payable	<b>216,342</b>	195,552
Operating leases and management agreements	<b>3,634,899</b>	3,694,438
Depreciation on tangible fixed assets	<b>1,079,958</b>	1,101,919
Directors' liability insurance	<b>3,136</b>	3,136
Interest receivable	<b>(2,151)</b>	(622)
	<u><u>                    </u></u>	<u><u>                    </u></u>

**11. STAFF NUMBERS AND COSTS**

	<b>2020</b>	2019
	<b>No</b>	<b>No</b>
Average number of full-time equivalent employees	<b>53</b>	50
	<u><u>                    </u></u>	<u><u>                    </u></u>

**BREAKDOWN OF STAFF PER SECTION**

Housing	<b>33</b>	29
Housing Hubs & Code of Standards	<b>11</b>	11
National Code	<b>4</b>	4
Property Management	<b>4</b>	5
Conferences and ANUK	<b>1</b>	1
	<u><u>                    </u></u>	<u><u>                    </u></u>

TOTAL	<b>53</b>	50
	<u><u>                    </u></u>	<u><u>                    </u></u>

Average number of employees	<b>73</b>	71
	<u><u>                    </u></u>	<u><u>                    </u></u>

**BREAKDOWN OF STAFF PER SECTION**

Housing	<b>48</b>	44
Housing Hub & Code of Standards	<b>16</b>	16
National Code	<b>4</b>	4
Property Management	<b>4</b>	6
Conferences and ANUK	<b>1</b>	1
	<u><u>                    </u></u>	<u><u>                    </u></u>

TOTAL	<b>73</b>	71
	<u><u>                    </u></u>	<u><u>                    </u></u>

	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
<b>Staff costs</b>		
Wages and salaries	<b>1,689,264</b>	1,618,548
Employer's National Insurance	<b>140,476</b>	132,299
Employer's pension costs (see note 25)	<b>214,237</b>	186,416
	<u><u>                    </u></u>	<u><u>                    </u></u>
	<b>2,043,977</b>	1,937,263
	<u><u>                    </u></u>	<u><u>                    </u></u>

**UNIPOL STUDENT HOMES**  
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**11. STAFF NUMBERS AND COSTS (CONTINUED)**

Employees receiving remuneration amounting to more than £60,000	<b>2020</b>	2019
	<b>No</b>	No
£70,000 - £79,999	2	2
£120,000 - £129,999	1	1

Three higher paid employees (2019: three) had benefits accruing under the defined benefit pension scheme.

The key management personnel of the Charity comprise the trustees, the Chief Executive, Deputy Chief Executive, Director of Finance, Assistant Chief Executive - Housing Services, Assistant Chief Executive - Hub Services, Assistant Chief Executive - Communication and IT, Assistant Chief Executive – Standards and Delivery Officer. The total employee benefits of the key management personnel were £555,347 (2019: £515,327).

**Payments to Board Members**

	<b>2020</b>	2019
	<b>£</b>	£
Andrew Welsh – Consultancy	1,022	13,394
Michael Wilkinson – Travel expenses as a Board Member	19	216
Rachael Elliot - Travel expenses as a Board Member	-	266

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

The Charity purchased insurance costing £3,136 (2019: £3,136) to protect the Charity from loss arising from neglect or default of its trustees and officers.

**12. CORPORATION TAXATION**

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

**13. INTEREST PAYABLE AND SIMILAR CHARGES**

**Group and charity**

	<b>2020</b>	2019
	<b>£</b>	£
Included in Unipol Housing expenditure:		
Bank and other loans	216,342	195,552

**UNIPOL STUDENT HOMES**  
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**14. TANGIBLE FIXED ASSETS**

**Group and charity**

	<b>Freehold land and buildings</b>	<b>Leasehold land and buildings</b>	<b>Computer equipment</b>	<b>Fixtures and fittings</b>	<b>Unipol property furniture</b>	<b>Motor Vehicles</b>	<b>Assets under the course of construction</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>								
At 1 August 2019	16,085,972	8,387,002	994,717	870,960	770,608	53,046	42,199	27,204,504
Transfer	13,167	29,032	-	-	-	-	(42,199)	-
Additions	386,025	417,466	50,112	1,749	51,359	-	13,574	<b>920,285</b>
Disposals	-	-	-	-	-	-	-	-
<b>At 31 July 2020</b>	<b>16,485,164</b>	<b>8,833,500</b>	<b>1,044,829</b>	<b>872,709</b>	<b>821,967</b>	<b>53,046</b>	<b>13,574</b>	<b>28,124,789</b>
<b>Accumulated depreciation</b>								
At 1 August 2019	4,900,691	5,555,454	773,400	817,516	612,747	31,914	-	12,691,722
Transfer	-	-	-	-	-	-	-	-
Charge for the year	480,038	466,920	86,308	6,341	34,443	5,908	-	<b>1,079,958</b>
Disposals	-	-	-	-	-	-	-	-
<b>At 31 July 2020</b>	<b>5,380,729</b>	<b>6,022,374</b>	<b>859,708</b>	<b>823,857</b>	<b>647,190</b>	<b>37,822</b>	<b>-</b>	<b>13,771,680</b>
<b>Net book value</b>								
<b>At 31 July 2020</b>	<b>11,104,435</b>	<b>2,811,126</b>	<b>185,121</b>	<b>48,852</b>	<b>174,777</b>	<b>15,224</b>	<b>13,574</b>	<b>14,353,109</b>
At 31 July 2019	11,185,281	2,831,548	221,317	53,444	157,861	21,132	42,199	14,512,782

**UNIPOL STUDENT HOMES**  
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**15. INVESTMENTS HELD AS FIXED ASSETS**

**Charity**

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

	<b>2020</b>	2019
	<b>£</b>	£
Turnover	-	-
Interest receivable	-	-
Administrative expenses	-	-
	<hr/>	<hr/>
Operating (loss)/profit	-	-
Deed of gift to Unipol Student Homes	<hr/>	<hr/>
(Loss)/Profit for the financial year	<hr/> <hr/>	<hr/> <hr/>

The aggregate of the assets, liabilities and funds was:

	<b>2020</b>	2019
	<b>£</b>	£
Total assets	-	-
Total liabilities	<b>(3,187)</b>	(3,187)
	<hr/>	<hr/>
	<b>(3,187)</b>	(3,187)
	<hr/> <hr/>	<hr/> <hr/>
Represented by:		
Called up share capital	<b>1</b>	1
Profit and loss account	<b>(3,188)</b>	(3,188)
	<hr/>	<hr/>
	<b>(3,187)</b>	(3,187)
	<hr/> <hr/>	<hr/> <hr/>

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

**16. STOCKS**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
	<b>£</b>	£	<b>£</b>	£
Furniture	<b>2,038</b>	22,738	<b>2,038</b>	22,738
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>2,038</b>	22,738	<b>2,038</b>	22,738
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**UNIPOL STUDENT HOMES**  
**NOTES TO THE GROUP FINANCIAL STATEMENTS**  
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**17. DEBTORS**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Owed from subsidiary undertaking	-	-	<b>3,187</b>	3,187
Rents receivable	<b>65,963</b>	50,069	<b>65,963</b>	50,069
Other debtors	<b>861,604</b>	523,703	<b>861,604</b>	523,703
Prepayments and accrued income	<b>423,054</b>	538,534	<b>423,054</b>	538,534
	<b>1,350,621</b>	1,112,306	<b>1,353,808</b>	1,115,493

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Overdraft	<b>914,645</b>	1,324,683	<b>914,645</b>	1,324,683
Loans (see note 19)	<b>876,772</b>	784,972	<b>876,772</b>	784,972
Returnable deposits	<b>411,060</b>	438,915	<b>411,060</b>	438,915
Trade creditors	<b>561,134</b>	626,019	<b>561,134</b>	626,019
Taxation and social security costs	<b>29,714</b>	36,411	<b>29,714</b>	36,411
Other creditors	<b>317,052</b>	255,844	<b>317,052</b>	255,844
Accruals	<b>962,714</b>	1,022,749	<b>962,714</b>	1,022,749
Deferred income (see below)	<b>1,016,185</b>	831,651	<b>1,016,185</b>	831,651
	<b>5,089,276</b>	5,321,244	<b>5,089,276</b>	5,321,244

**ANALYSIS OF DEFERRED INCOME**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rental income, energy and service charge income	<b>624,373</b>	473,450	<b>624,373</b>	473,450
Contribution from Landlords towards capital works	<b>102,398</b>	102,398	<b>102,398</b>	102,398
Subventions, fees and funding income	<b>289,414</b>	255,803	<b>289,414</b>	255,803
	<b>1,016,185</b>	831,651	<b>1,016,185</b>	831,651

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

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**19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
	<b>£</b>	£	<b>£</b>	£
Bank loans	<b>5,050,523</b>	4,556,065	<b>5,050,523</b>	4,556,065
Deferred Income	<b>612,512</b>	621,238	<b>612,512</b>	621,238
	<b><u>5,663,035</u></b>	<u>5,177,303</u>	<b><u>5,663,035</u></b>	<u>5,177,303</u>

The bank loans are secured on a number of properties within the portfolio. One bank lends to Unipol with loans expiring between 2020 and 2029 and bear interest rates of 2.28%, 2.5% or 2.55% over base with one loan at a fixed rate of 3.32% and two further loans at a fixed rate of 3.87%,. A further bank lends to Unipol with loans expiring between 2022 and 2031 with interest rates between 2.65% and 3.7% over LIBOR with one loan at a fixed rate of 4.14%, one at 4.16%, one at 4.11%, one at 3.6% and one at a rate of 3.53%.

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

	<b>Group and Charity</b>	
	<b>2020</b>	2019
	<b>£</b>	£
Analysis of loan repayments		
Bank loans and other loans		
Within one year or on demand (see note 18)	<b>876,772</b>	784,972
Between one and two years	<b>862,380</b>	729,769
Between two and five years	<b>2,105,854</b>	1,866,830
After five years	<b>2,082,289</b>	1,959,466
	<b><u>5,927,295</u></b>	<u>5,341,037</u>

**20. ANALYSIS OF GROUP ASSETS AND LIABILITIES BETWEEN FUNDS**

	Unrestricted funds		<b>Total</b>	Total
	Designated funds	Undesignated funds		
	<b>£</b>	£	<b>£</b>	£
Fixed assets	-	14,353,109	<b>14,353,109</b>	14,512,782
Current assets	599,553	856,626	<b>1,456,179</b>	1,212,560
Creditors: amounts falling due within one year	-	(5,089,276)	<b>(5,089,276)</b>	(5,321,244)
Creditors: amounts falling due after more than one year	-	(5,663,035)	<b>(5,663,035)</b>	(5,177,303)
	<u>599,553</u>	<u>4,457,424</u>	<b><u>5,056,977</u></b>	<u>5,226,795</u>

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**21. STATEMENT OF MOVEMENT ON RESERVES**

**Charity as at 31 July 2020**

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

**Charity as at 31 July 2019**

	Unrestricted funds: Designated funds £	Unrestricted funds: Other charitable funds £	<b>Total funds £</b>
At 1 August 2018	559,620	4,737,149	<b>5,296,769</b>
Net movement in funds	(410,395)	343,609	<b>(66,786)</b>
Transfers	276,395	(276,395)	-
<b>At 31 July 2019</b>	<b>425,620</b>	<b>4,804,363</b>	<b>5,229,983</b>

**Group as at 31 July 2020**

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

**Group as at 31 July 2019**

	Unrestricted funds: Designated funds £	Unrestricted funds: Other charitable funds £	<b>Total funds £</b>
At 1 August 2018	559,620	4,733,961	<b>5,293,581</b>
Net movement in funds	(410,395)	343,609	<b>(66,786)</b>
Transfers	276,395	(276,395)	-
<b>At 31 July 2019</b>	<b>425,620</b>	<b>4,801,175</b>	<b>5,226,795</b>

**UNIPOL STUDENT HOMES**  
**NOTES TO THE GROUP FINANCIAL STATEMENTS**  
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**22. MOVEMENT IN GROUP FUNDS**

**As at 31 July 2020**

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

**As at 31 July 2019**

	Balance 1 August 2018 £	Income £	Expenditure £	Transfers £	Balance 31 July 2019 £
<b>Unrestricted funds</b>					
Designated funds:					
Major works reserve	479,620	-	(410,395)	236,395	<b>305,620</b>
Dispersed Houses reserve	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<b>120,000</b>
	559,620	-	(410,395)	276,395	<b>425,620</b>
Undesignated funds:					
Other unrestricted funds	<u>4,733,961</u>	<u>11,210,618</u>	<u>(10,867,009)</u>	<u>(276,395)</u>	<b>4,801,175</b>
Total unrestricted funds	<u>5,293,581</u>	<u>11,210,618</u>	<u>(11,277,404)</u>	<u>-</u>	<b>5,226,795</b>
<b>Restricted funds</b>					
Housing Hubs and Code of Standards:					
Bradford	-	25,000	(25,000)	-	-
Nottingham	-	60,341	(60,341)	-	-
Sponsorship	-	18,000	(18,000)	-	-
Total restricted funds	<u>-</u>	<u>103,341</u>	<u>(103,341)</u>	<u>-</u>	<u>-</u>
<b>Total funds</b>	<u>5,293,581</u>	<u>11,313,959</u>	<u>(11,380,745)</u>	<u>-</u>	<b>5,226,795</b>

The Restricted Funds are:

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

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

*Transfers*

The movement of £282,798 represents a transfer from the general reserve to the designated reserves for major works and works to dispersed houses.

**23. CAPITAL COMMITMENTS**

	<b>2020</b>	2019
	£	£
Unipol had contracted commitments at 31st July for future capital projects totalling	-	48,859
	<u>                    </u>	<u>                    </u>

**24. LEASE COMMITMENTS**

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

	<b>2020</b>	2019
	£	£
Expiring within one year	<b>158,873</b>	6,167
Expiring between one and five years	<b>1,939,562</b>	1,791,911
Expiring after more than five years	<b>26,278,282</b>	34,945,171
	<u><b>28,376,717</b></u>	<u>36,743,249</u>

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

**25. PENSION SCHEMES**

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

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

The valuation of Universities Superannuation Scheme showed that as at 31 March 2014 the scheme was in deficit.

The valuation of the University of Leeds Pension and Assurance Scheme as at 31 March 2017 showed the scheme was in surplus.

The pension cost for the year was £214,237 (2019: £186,416).

**26. Post Balance Sheet Events**

On 14th August 2020 Unipol Student Homes purchased the freehold interest in 92 Lenton Boulevard, Nottingham at a cost of £345,000.

On 20<sup>th</sup> August a one year loan was taken out amounting to £750,000 to mitigate the potential impact of COVID 19 on operating cash flow at a fixed interest rate of 3%.

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On 18th September 2020 Unipol Student Homes completed on a 25 year lease agreement with Red Oak Project E.S.A. for a 330 bed shared cluster development Sandhills, 79-85 Talbot Street, Nottingham at an initial lease fee of £1,499,000.

**27. Covid Related Costs**

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

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