

Charity registration: 1063492
Company registration: 3401440

UNIPOL STUDENT HOMES

Annual Report and Group

Financial Statements

Year Ended 31 July 2022

UNIPOL STUDENT HOMES

ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS 2022

Contents

Legal and Administrative Information	2
Trustees' Report	4
Statement of Trustees' Responsibilities	22
Independent Auditor's Report to the Members of Unipol Student Homes	23
Consolidated Statement of Financial Activities	27
Consolidated and Charity Balance Sheet	28
Consolidated Cash Flow Statement	29
Notes to the Financial Statements	31

UNIPOL STUDENT HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

LEGAL AND ADMINISTRATIVE INFORMATION

BOARD

The Board comprises the following representatives:

The University of Leeds

Mr Ian Robertson, Head of Residential Accommodation

Chair of Unipol

Mr Christopher Warrington

Ms Catherine Cho

Contactable at University of Leeds, Leeds LS2 9JT

Leeds Beckett University

Ms Victoria Johnson

Ms Caroline Thomas (resigned 24/02/2022)

Ms Joanne Norry (appointed 24/03/2022)

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

Leeds University Union

Ms Bethany Eaton (resigned 01/07/2022)

Ms Nicole Jimenez Mogrovejo (resigned 01/07/2022)

Ms Emily Tabern (appointed 01/07/2022)

Ms Vicky Zhou (appointed 01/07/2022)

Ms Hannah Brian

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

Leeds Beckett University Students' Union

Ms Mpango Simwaka (resigned 01/07/2022)

Ms Anna Crooks (resigned 01/07/2022)

Ms Lucy MacDonald (appointed 12/07/2022)

Ms Ashleigh Pinnock (appointed 12/07/2022)

Ms Jacqui Short

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

Bradford College

Vacant

Co-Opted Directors

Mr Michael Wilkinson

Deputy Chair (Partnerships) of Unipol

Mr Andrew William Welsh

Deputy Chair (Properties and Portfolio) of Unipol

Ms Meri Braziel

Mr Stephen Denton (appointed 29/08/2022)

Mr Michael Lees (resigned 25/08/2022)

Ms Jennifer Share

Deputy Chair (Finance) of Unipol

Mr Steven Gilley (appointed 01/11/2022)

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

UNIPOL STUDENT HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)

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

OFFICERS OF UNIPOL STUDENT HOMES

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

BANKERS

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

Lupton Fawcett Stamford House Piccadilly York YO1 9PP	Pinsents 1 Park Row Leeds LS1 5AB	Hatch Legal 12 Park House 11 Park Row Leeds LS1 5HB	Walker Morris 33 Wellington Street Leeds LS1 4DL
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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 2022 in the 47th 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 2023-2026* was adopted by trustees in September 2022 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/forwardlook> on Unipol's website.

Values

The values of the charity have always been important and have always been placed at the centre of its operations and aspirations. The values are a touchstone by which Unipol can assess what it is doing and why.

As part of the *Forward Look* discussion, trustees reviewed the charity's seven core values and identified four themes which place additional emphasis on these values:

- *standards*: the charity sets high standards which match its values
- *responsibility*: both now and in the longer term
- *student focussed*: caring about its services, trusted and reassuring
- *leadership*: using its expertise to create impact in the sector and innovate.

Unipol's values have been used to define Unipol as an organisation that is different from any other. During the pandemic, the charity based its actions on these values and messaged its culture to those it worked with and for. Unipol's values underpin everything it does and they remain at the core of the charity's actions. 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 47 years' experience in the sector, which empowers them to make good housing choices and get the best deal available. Establishing, promoting and publicising best practice in student accommodation, encouraging innovation and cooperation between providers, institutions, local and national Government to work together to the benefit of student tenants.

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

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

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

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

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

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

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

As a student housing charity of nearly 50 years' standing and the largest not-for-profit student housing organisation in the UK, Unipol:

- develops, takes into ownership and manages properties and lets them directly to students. Unipol is currently responsible for housing some 3,000 students plus around 210 student families. Of these, 2,250 students live in Leeds, 649 in Nottingham and 59 in Bradford. Its direct housing function sits at the heart of the charity's operations and is a beacon of good practice and innovation for others working in the sector
- runs local accreditation schemes in Leeds, Nottingham and Bradford, and operates two Government-approved Codes of Practice for larger student developments UK-wide. In Leeds, Unipol also runs the *Leeds Rental Standard* for Leeds City Council (<http://www.leedsrentalstandard.org.uk/>) and in Nottingham (together with *Decent and Safe Homes* and Nottingham City Council) it runs the *Nottingham Standard* (<https://www.nottinghamcity.gov.uk/nottinghamstandard>).
- Within these, Unipol sets professional standards for purpose-built student accommodation (PBSA) and its management. Owners and agents who are scheme members voluntarily commit themselves to meeting these standards. Unipol undertakes compliance checks in order to give students assurance and confidence about the quality of what they are signing up for when they rent a Code property. The accreditation schemes also give students a robust complaints process to use if things go wrong. Unipol currently accredits around 440,000 bed spaces
- runs three Housing Hubs which give students (and their parents) information and advice on finding a suitable home. The Hubs also provide a forum in which owners (including Unipol) can advertise their properties. Although Unipol charges a fee for services to owners, services for students are free. The Housing Hubs are part-funded by educational institutions and local authorities. Unipol also runs a *Rate Your Landlord* review site (jointly with Leeds University Union), which provides an effective platform for the student voice to influence housing choice in Leeds and in Coventry (University of Warwick)
- provides help and training, both locally to support landlords, and nationally to improve policy, management and the development of student accommodation. Unipol has in-house training facilities in both Nottingham and Leeds. As part of this set of activities, Unipol runs the UK Student Accommodation Forum, an online conferencing facility that enables member practitioners to meet regularly and talk about issues of the moment.

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

Overview of 2021-2022: Coronavirus and the Cost of Living Crisis

It is easy to forget to what extent the coronavirus pandemic continued to affect the financial year that has just concluded. This year also saw the beginnings of what is now called "*the Cost of Living Crisis*" as energy costs and inflation rose rapidly towards the latter half of the year.

Coronavirus

Just as the 2021-2022 academic year was settling, in November 2021 new restrictions were announced in response to the Omicron variant which saw the reintroduction of wearing face masks and enhanced safety measures for work places.

In September 2021, as part of its "vaccine passport" considerations, the Government floated the idea that only students who had been "double jabbed" with the vaccine would be able to return to campus. As this was entirely impractical because the vast majority of students would not have completed their vaccination programme (as set by the Government) the idea was dropped but in December 2021 the idea was revived as a possible condition for students returning to study in the New Year. The disruption this could have caused was taken sufficiently seriously by Unipol's trustees that the possibility of a special Board meeting was contemplated in January 2022, if this condition was imposed, causing absent students to ask for further rent refunds.

The idea also prompted most students to return to their place of study to live much earlier in January than they might otherwise have done, to escape any possible impending restrictions. By the end of the first week of January, Unipol's properties were occupied to mid-term levels, although 50% of its Residents' Assistants were isolating with Covid.

The various waves of coronavirus cases that occurred throughout the year, saw continuing disruption to the pattern of staff working and student living and Unipol had to put its previous plan for a full return to work on hold until April 2022 when three day office working was increased to four. Also in April, Unipol's Board decided that in-person Committee and Board meetings could now be held: in person meetings had been briefly restored in September 2021 when the first face-to-face Board meeting was held since 7th February 2020.

The working pattern continued to be disrupted by high levels of Covid infections which rose rapidly in December 2021 and then peaked after the Christmas and New Year celebrations in January 2022. Some property works planned over the Christmas break had to be postponed.

Covid testing ceased in April 2022 but the ONS survey showed that by May 2022 6% of the population in England were infected. These waves of infection affected students, contractors and Unipol's staff and Covid infections continue to cause enhanced staff absences to the present day.

At the half year point (Q2 31st January 2022) it was clear that Covid factors were still having significant effects on the year's budgetary performance and the hope that these could be consigned to the previous two financial years faded. The planned budgeted surplus for 2021-2022 of £176K became unachievable as higher cleaning costs continued, energy costs increased with students also spending a larger proportion of their time in their residences. Government advice to keep good ventilation by opening windows made energy conservation difficult and the later delivery of Oak House into a depressed international student market saw a reduction of some rental income in this financial year.

Strenuous efforts were made throughout the remainder of the year to restrict expenditure and the aim of achieving a break-even budget was achieved, with a small surplus being recorded.

Cost of Living Crisis

In September 2021 energy costs began rising quickly and inflation was also beginning to rise but the expectation at that stage was that inflation would reach around 4.5% over the next year and that energy prices may have peaked. At the beginning of the year, Unipol had renewed its electricity contract for one year which had seen a 28% rise in costs. Unipol's existing gas contract continued to run until the end of June 2022.

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

The combined effects of higher inflation and much higher energy costs began to become apparent around the half year (Q2) point. The combination of a global energy shortage caused by the speeding up of the world economy after many Covid restrictions ended, coupled with the invasion of Ukraine (on 24th February 2022) and the subsequent weaponising of energy supplies saw energy prices soar to levels entirely unforeseen. Supply-chain and labour shortages stoked the inflationary pressure. Both inflation and energy costs continue to rise with the Bank of England predicting inflation of 13% by December 2022. The subsequent rise in interest rates and the squeeze on household spending was also predicted to drive the UK economy into recession for the next five quarters.

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 aims to offer the best deal possible to its tenants as a not for profit provider. In this year, the decision was taken to stop charging deposits altogether for shared student housing in 2022-2023 and, as a step towards this, to reduce deposits in 2021-2022 to an upper level of £100 (from a peak two years ago of £240). Deposits are now only levied on longer-stay family tenants. This means the Unipol offer to students is that they simply pay rent with no other fees or hidden charges, no guarantors and with each student tenant getting an individual tenancy agreement: a far cry from many other accommodation providers.

Housing revenue normally goes to support investment in higher-quality properties and helps subsidise the advice and standards mission but in this year, with housing taking the weight of the economic challenges outlined, that internal subsidy has been lessened.

It has, however, been possible to maintain continuing investment into the portfolio because of reserves held for that purpose and the designated works reserve continues to provide sufficient funds for that purpose and now stands at just over £1m, after expenditure in this year.

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

Helping Students to Make the Best Decisions about their Housing

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

Unipol's services to students continued either on-line or in-person with its offices remaining open throughout this year. Unipol also runs a number of successful web-based services in order to assist both students and landlords. The Housing Hubs continued to give good advice and provide relevant information to both students and landlords alike:

- in this year, Unipol.org.uk had 236,961 users, there were 404,247 searches and 888,259 views. Booking requests were 24% up on previous years at 15,121. The main website continues to be an important source of information, help and advice in Leeds, Nottingham and Bradford
- Unipolhousing.org.uk which deals with Unipol's own housing and is mainly used by tenants and potential tenants had 139,765 users during the year. There were over 10,000 page views on "*how we help families*" and just over 6,000 on "*Covid safe house hunting*". Repairs are increasingly being reported through this site with 2,221 issues logged (a 28% increase on the previous year). This use will diminish over the next year as tenants increasing use the *StarRez* portal, Unipol's housing management system

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

- Web chat continues to be an important channel for advice and help with 5,506 engagements
- The review site *Rate Your Landlord* <https://www.rateyourlandlord.org.uk/> saw the target of harvesting a minimum of 1,000 new reviews being met with 1,419 reviews being acquired: no mean feat as campuses remained quiet because of Covid restrictions. 2,769 reviews were available to consult and these were consulted on 26,004 occasions (a small 4% increase on the previous year) with 36,721 sessions being undertaken (up 47% in the previous year)
- The *National Code* website <https://www.nationalcode.org/> saw a significant drop in users as Government advice on the pandemic and its implications for Code members reduced. The site is still a key source of guidance and information to students and members with 24,205 users, a 26% increase on pre-pandemic traffic.

All of these websites and services are free to access. For some time income from landlords advertising their properties on the website has declined but this year this decline stabilised with a 6% increase in landlord fee income.

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, the local Code for off-street properties covered 13,454 tenants. In Nottingham the Code covered 5,436 tenants. In Bradford the Code covered 64 tenants. Throughout the year 340 verification visits were undertaken to properties and any deficiencies rectified.

The National Codes continued to grow and (as of May 2022) both Codes had a total of 157 members (108 private providers and 49 educational establishments) and the total number of tenants covered by both Codes was 405,538 (up from 378,846 bed spaces in 2021) and there were 2,250 different developments registered under both Codes (compared with 2,166 in 2021). 156 verification visits were undertaken to buildings plus an additional 16 visits made to a whole-City verification in Leicester.

After much work, spanning two years, a new National Code for Private Providers was approved by Parliament on 1st March 2022 The Housing (Approval of Code of Management Practice) (Student Accommodation) (England) Order 2022 ("the Order") and came into force on 22nd March 2022.

The changes in the new Code were considerable, but three stand out as important:

- a) changes to the way in which students with disabilities and specified characteristics are charged for their rooms. The changes will financially benefit all those students affected but those who require serious alterations to their rooms will see rents falling to the lowest rent possible, making a real difference to their disposable income to help them with living costs that are much higher than those of most students
- b) automatic compensation to students who suffer disruption because of late construction
- c) better help and support to assist those with mental health problems is outlined, together with better staff training and information.

These three areas address the residential concerns of the moment: access to education, disruption to education and mental health and wellbeing issues. They stress and codify the private sector's obligations in these areas which has never been achieved before.

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

The new Code preamble was also changed to stress that Members must "act in the best interests of students" in running their accommodation.

The Educational Establishments Code is currently being reviewed, to come into effect in 2023 and work was undertaken on updating the self-assessment methodology used by members of the Code with the aim of linking this process more closely with the requirements of verifiers and the Audit Panel that oversees the maintenance of Code standards.

The Public Mission

The Unipol/NUS Accommodation Cost Survey for 2021 was published and launched in London at the British Library on 10th December 2021. <https://www.unipol.org.uk/news/accommodation-costs-survey-2021-launched>

Around 50 people attended the launch in-person and just over 80 people watched the event on a live stream. There was considerable media interest and a briefing on the survey was given to both DLUHC and DfE. An APPG was also held to consider the importance of affordability in student housing.

Off the back of this survey, Unipol's profile on the issue of affordable student accommodation increased considerably and this is being carried forward across 2022-2023 by promoting transparent affordability policies and student living strategies for their own local housing markets to educational institutions. The recommendation that accommodation bursaries could be used effectively by private providers to widen participation and give housing choice to poorer students also gained traction.

Unipol continued to be consulted about a variety of forthcoming regulation and legislation and made representations on *The Building Safety Act*, *the Decent Homes Standard*, fire standards, *The Renters' Reform Act* and took part as a panel member in the Scottish Government's review of the PBSA. Unipol also made representations in respect of various local accreditation schemes (including the London Plan, and schemes in Leeds, Nottingham, Leicester and Liverpool). These representations were often in co-operation with the *British Property Federation* and their Student Committee, on which Unipol sits. Work with the National Union of Students has unfortunately been on hold following their on-going restructuring.

As part of the Scottish Government's review of PBSA Unipol is discussing with the Scottish Government the possibility of a separate Code for Scotland based on the existing Unipol/ANUK Code. This Code would then be recognised with Scottish legislation.

The proposals made in the *Renters Reform Bill* would have several important outcomes for student housing. The Government partially accepted the argument that student housing was different and the proposal was that PBSA suppliers who are members of the National Codes would be exempted from the more general suggestions for the private rented sector.

Whilst Unipol supports the additional powers for regulatory enforcement, the changes proposed to tenure, whereby students living in off-street housing would have security of tenure and be able to give two months' notice at any stage, would have a highly disruptive effect on the academic year cycle by which that accommodation is made available and let. Treating students in the same way as longer-term renters is likely to cause a contraction of rented accommodation supply for students (as has happened in response to similar proposals enacted two years ago in Scotland), make finding student accommodation more difficult for the beginning of the academic year and raise rents.

Unipol's training role <https://www.unipol.org.uk/training-and-events/all> remained curtailed by the lack of face-to-face events until the mid-point of this year. The *UK Student Accommodation Forum*, a series of one hour free on-line events that had run in the previous year were continued until March 2022 and continued to be popular and well-attended. In the second half of the year more specific face-to-face and virtual training took place and it is planned to launch a full training programme beginning at the end of January 2023.

Unipol remains grateful to *CRM Students* for continuing their sponsorship throughout this year which has helped make these events possible.

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

Strategic Report and Achievements and Performance - The 2021-2022 Year

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

Overview

It may be useful to have an overview of the charity's turnover which has varied from 3.2% (2018-2019 to 2019-2020) to 16.7% (2020-2021 to 2021- 2022). These figures have been impacted by the net cost of rebates in 2019-2020 (of £555K or 4.9%) and 2020-2021 (of £497K or 3.8%). In 2021-2022 Oak House joined the portfolio adding just under £1.2m to turnover

The charity moved into deficit in 2019-2020 of -£169,818, the first deficit recorded by the charity since 1988 but recovered in 2020-2021 with a surplus of £339,782 including the sale of two properties yielding a gain on disposal of £257,822. In 2021-2022 the charity has returned a surplus of £215,995 including the sale of one property yielding a gain on disposal of £197,789. This is the last of the three properties to be sold to mitigate part of the costs borne by the charity as a result of Covid and to strengthen cash flow.

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

The Financial Framework

88% of the charity's funds come from rent paid to it by students and this rental stream is central to the survival of the charity. This was the third financial year both revenue and operations were negatively affected by the pandemic.

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

The National Codes also now make a significant contribution to the organisation's output and overheads. The fees from the National Codes are currently around £600K and the Code makes an increasingly significant contribution to both the charity's mission and overheads. Because of the growing size of this budget the setting of fees and budget-reporting is now undertaken within Unipol's overall budgetary framework rather than by the National Codes Committee of Management.

The importance of rental revenue is against a backdrop where the charity's more traditional income from its housing hubs are static and are continuing to lose its real terms value. The level of funding required to run a good service to students through the housing hubs is brought into sharper focus by the level of subsidy required by the charity to run those services with a -£112,395 deficit being met in 2021-2022. Because of the pandemic, income from funding partners has been rolled forward on a level-funding year-by-year basis for the last two years (until July 2023) but longer term arrangements need to be in place after that.

Demands placed on hub services have increased as institutions have recruited more international postgraduate taught students who entered the housing market in late summer and where some students started their courses in January (on a calendar, rather than a traditional academic year) meaning that services are running at levels of high activity across most of the year.

As part of the growth in international postgraduate taught students, a significant minority of those students, particularly those coming from India and Nigeria, are bringing their families with them and need family housing. In many cases these students are finding it very difficult to rent affordable housing. Unipol is doing its best to help these students with good quality information and advice and, as mentioned earlier, its web-based general advice is much used and is frequently updated and developed.

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

The provision of family housing has always been a high priority for Unipol, but the conclusion reached in the *Forward Look* is that family housing is not viable without subsidy, and economic, administrative and legislative pressures is compounding the challenge of maintaining viability. Unipol must also be careful not to find itself in the front line of increased demand it cannot meet and is considering the extent of the burden it can take on in the direct provision of family housing.

Operations during 2021-2022

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

Housing Hubs

The housing hubs remained a more important central resource in providing students with information, help and advice, increasingly through virtual engagement. Demand for help increased with the number of international students being recruited, particularly those studying at Leeds Beckett University and Nottingham Trent University with a significant number of students with families looking for affordable accommodation. Towards the end of the year, Unipol responded to the increase in demand for advice by supplementing its *Housing Hub Advisor* with a new *International Student Housing Advisor* post.

Homestay activity was limited for most of this year as arrivals were affected by Covid restrictions but activity started to pick up from June 2023.

As house hunting commenced in November 2021, concerns about the Omicron variant led to a cautious approach to actual viewings. To reduce the risk to staff, but to enable these viewings to continue, the team met individuals or groups at the property. Around 900 in-person viewings were undertaken during the year (about half of that pre-Covid). Individual accompanied viewings only commenced in spring 2022, so the vast majority of lettings were undertaken in this way or virtually. Virtual viewings allow viewing of individual properties on video and will remain an additional resource for students going forward.

There was considerably more work undertaken with the *University of Bradford* which began to move into a housing shortage (particularly for those with families) after a decade of excess accommodation supply. Regular meetings were held and additional assistance was made available. The link with *Bradford College* continued to be weak and the College has still failed to take up its nominated trusteeship on the Board, although a trustee has now been appointed from the University of Bradford that will strengthen the Bradford link.

Unipol Housing

In Leeds Unipol directly let £6,782K of properties over the year compared with £5,434K in 2020-2021, an overall increase of 24.7% of which all but 1.3% was due to Oak House entering the portfolio. In Nottingham Unipol let £1,992K of properties over the year compared with £1,752K in 2020-2021 an increase of 14%, reflecting further growth.

In Bradford Unipol was fully let after letting only 34 of its 59 rooms in 2020-2021. Letting was, however, slower than in 2019-2020 raising £214K of the £220K budget.

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

Oak House, in Leeds came on line at a difficult time, in the middle of September 2021 (housing 188 students of whom 66 were underwritten by the University of Leeds). This late tenancy start, which made lettings more difficult, was because of planning and building delays over the previous 18 months, linked to Covid disruption. Although the building was fully let, there was a loss of several weeks' rental income because of the later start. The development was a success in terms of its design and tenant satisfaction and has let without difficulty for the following year on its planned 51 week term.

Sandhills, in Nottingham, came on line in September 2020 and houses 330 students, mainly NTU undergraduates. The building has been very popular with students and is well-priced. The builder, a large national operator, went into liquidation over autumn 2021 and this meant that much of the defects work

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

planned for summer 2021 failed to happen. Later in the year, some of this work was undertaken but still some work remains. Little of the work is "tenant-sensitive" but it is important that the remedial works need to be completed and, although Unipol is in a strong position to enforce that, the delays have meant that the building has required a much heavier senior staffing load that otherwise would have been necessary. After making a significant financial surplus in the previous year, this year, because of higher security, cleaning and energy costs (mostly Covid-related) the building operated at a loss.

Following a number of independent and thorough surveys Unipol received a Certificate EWS1 (as was also received by Mill Street in the previous year) showing that the building has been properly constructed and was properly operated in line with its risk assessment. The fact that no remediation work was required is reassuring in respect of the charity's concern for the safety of its tenants.

Underwrite v Direct Let

The balance between underwritten arrangements with institutions and direct let properties (where Unipol bears the risk of voids) increased slightly to 51.6% underwritten and 48.4% direct let. There were no significant shifts in institutional underwrite agreements but the underwrite arrangement for Grayson Heights ended in August 2022.

Tenant Satisfaction

In this year Unipol was able to reinstate both of its normal surveys.

The *Family Tenant Satisfaction Survey* normally undertaken every two years, was the first survey for three years (with the postponement of the 2020 survey because of the pandemic). The overall response rate was high at 69% and overall satisfaction with Unipol family housing stood at 83.1% compared to 82.4% in 2018. This improvement covered a period when rents had to increase in real terms by around 25% in order to reduce the level of subsidy the charity could sustainably meet.

The *Tenants' Satisfaction Survey* dealing with shared student accommodation resumed in January 2022 (the first since 2020) and tenants gave Unipol housing an overall satisfaction rating of 82.8%, slightly down on that previously recorded in 2020 at 84.1%, and 84.2% in 2019 but still comparing favourably to other local provider surveys. The University of Leeds ran a comparable survey and overall satisfaction with respondents' stay in University Accommodation for UOL properties at 81.5%.

This year, Unipol's value-for-money rating increased (with 79.4% of tenants saying Unipol provided value for money, up from 78.8% in 2020) even though cost pressures saw rents increase by around 4.7% for that year.

Both of these surveys showed that the portfolio and services provided to students continued to hold up well to the strain of enhanced use and limited accessibility caused by Covid and provided much useful detailed information on how different parts of the portfolio were performing.

Unipol is also rated on its own *Rate Your Landlord* site and, in 2022, had a rating of 4.4 (with 5 as best and 1 as poor) with 305 reviews in 139 properties. This compared with a rating of 4.2 in the previous year.

Despite the financial uncertainty and additional work caused by the pandemic, the charity has prioritised continuing investment in wellbeing and mental health and ran the most comprehensive Residents' Life events programme ever. The monthly family housing events also returned after a three year break and was much appreciated.

Unipol has continued to invest in its portfolio and undertake refurbishment works and despite being affected by delivery delays, the shortage of skilled contractors and fluctuating and rising prices for work, its reliance on local contractors has stood it in good stead as their supply and labour issues have tended to be more resilient than the national larger contractors. Overall this year, Unipol spent £1,118K, slightly less than the £1,148K spent in 2020-2021.

At *Alexander Court* the building was upgraded over summer 2021 for the opening year of the new 25 year lease. The programme to refit *Dyers Court* for family use saw 17 out of the 18 flats being fully refurbished and an extensive programme of external works began to be completed towards the end of 2022.

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

At *Shay Street/Holborn Terrace*, a rolling refurbishment of flats took place using the development's designated works reserve allocation for this purpose and the external play area was revamped after a period of excessive wear when schools were closed and access to other public spaces was limited.

At *Woodsley Terrace* the internal refurbishments of the kitchen and lounge areas of the smaller ground floor flats was completed and external works commenced, to be completed by the end of 2022.

The *Mill Street* kitchen refurbishment works that were suspended in April 2020 restarted in June 2021 and were completed by September of that year.

A number of small house refurbishments also took place over the year including *92 Lenton Boulevard*, *250 Cardigan Road*, *172 Burley Road*, *23a Hanover Square*, *12 St Michaels Grove*, *36 Ebor Place*, *4 Walmsley Road* and *6 Ashville Avenue*.

Unipol's planned acquisitions were frozen in March 2020 to protect cash-flow and future borrowing capacity should that be necessary with planned debt repayment continuing. No acquisitions were therefore made during this year.

Risk, Forward Strategy and Going Concern

Unipol's financial, development and Covid-19 strategy for 2021-2022 was based on that set for the previous year:

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

This strategy has been successfully followed. In relation to the *Forward Look 2019-2022* Unipol stuck to its plan and continued to deal with Covid-19 as an operational, rather than a strategic, matter. Strategic changes are flagged in the new *Forward Look 2023-2026*.

Over the last year, as in the previous year, Unipol has been relatively resilient. It has:

- sought to share risk with the educational institutions through underwrite agreements. This stood it in good stead at Mill Street and with the University of Leeds at Grayson Heights, Royal Park Flats and most family accommodation
- maintained balance within its portfolio to ensure risk was spread across different user groups
- given cash-flow a high priority enabling the charity to plan for sustaining a loss of income across a significant period of time whilst remaining operational and solvent. In this year that cash has not had to be called on
- cut back on expenditure, saving £107K on staffing by delaying or postponing appointments reduced major works designated reserve expenditure, contributing £356K in 2021-2022 but spending only £234K. The dispersed houses reserve grew by a further contribution of £40K. Combined these two reserves now stand at £1,001K
- always seen Unipol's owned property holdings as provided an important reserve that could be liquidated if additional funds were required in hard times. In order to ease cash flow and counter-balance rent refunds the charity sold one property designed to improve cash flow by £367K and added £198K to Unipol's bottom line.

Unipol's *Risk Analysis* was fully revised and approved by Unipol's Board in May 2021 and so its content remains unchanged from that detailed in the Trustees' Report last year. The *Risk Analysis* will be further

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

reviewed in December 2022 which will see risks moving from Covid-related matters towards cost-of-living factors.

Lettings Risk in 2022-2023

Although the outcome of Unipol's lettings does not fall within the 2021-2022 financial year, the actual lettings process does and is vital to the ongoing viability of the charity. Lettings in 2022-2023 are an important revenue counterbalance to the negative economic pressures that will affect the outturn for that year.

Unipol's portfolio let stronger for 2022-2023 than it did in the previous year, with the decline in the popularity of city centre flats reversing. Unipol had let 94% of its portfolio by August 2022 compared with 88% at the same time in 2021 and by September 2022 the portfolio was fully let. This is against a background that Unipol's direct let portfolio had increased from £8,797K to £9,985K. Family housing occupancy also returned to normal occupancy levels as international postgraduates students returned, with almost 100% occupancy compared with 75% occupancy in the previous year.

Unipol directly let *Oak House* for its second year (a significant achievement as international intake remained depressed at the start of the year) and the building is now mainly occupied by both home and international postgraduates over 51 weeks, as originally intended. *Grayson Heights*, coming out of a long-term underwrite by the University of Leeds, was a lettings challenge because of its location in Kirkstall, but a competitive rent level saw the building fully let.

Unipol was also helped by the overall buoyancy of the Leeds and Nottingham student property markets but made significant inroads into retaining satisfied and loyal tenants with a 36% retention rate, the highest retention achieved since 2015.

Although Unipol does not rely on income from any summer lets to students, this market partly recovered over summer 2022 from a complete wipe-out in the previous two summers.

Enhanced Health and Safety Measures

The Building Safety Act will require all high-rise buildings to be registered with a new regulator in 2023. Unipol has prepared for this by undertaking enhanced intrusive surveys of relevant buildings, updating all of its health and safety documentation and FRAs and obtaining EWS1 certifications which also verifies the buildings' fire and safety plans. The charity is as well-prepared for this as possible and its buildings are safe.

Financial Review

The charity's bottom line for 2021-2022 shows a surplus of £215,995. This reflects an operational loss before the sale of one property and transfer to the major works reserve of -£144K. The net gain on the property disposal was £197,789.

The major works reserve has also strengthened with expenditure being £162,024 lower than the contribution for the year. The charity has total reserves of £5,612,754 (2021: £5,396,759).

Unipol now holds £4,611,935 (2021: £4,557,964) of its unrestricted reserves in an undesignated form to offset cash demands within the organisation. The trustees and management considered the funding arrangements of the charity during the year and continue to operate an overdraft arrangement for working capital requirements. Significant investment in the charity's own assets and longer term lease properties continues by means of ring-fenced loan funding.

Charities of this type, which are fixed asset rich and generate significant rental income on a monthly basis, often have net current liabilities and consequently negative free reserves. The charity has net current liabilities of £3,327K (2021: £3,794K) and is in a negative free reserves position, however; as part of management's going concern assessment it has produced cash flow forecasts that show adequate funding for the future, including the next 12 months. It is the charity's intention to continue to improve its unrestricted reserves and reduce its net current liabilities over the medium term.

Unipol's fixed assets decreased by £151,631 in the year from £14,178,255 (2021) to £14,026,624.

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

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 £5,663,543 (2021: £6,122,386).

Policy on Reserves

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

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

It is important to note that the year has absorbed a number of development risks and one-off legal costs as part of preparing for the addition of new purpose-built developments planned between 2022-2023 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

The next year, 2022-2023, is in many ways an intermediary year, linking the last year of the previous *Forward Look* to the next phase of Unipol's development. Growth in turnover will be marginal at 2.2% as there are no new developments or properties scheduled to enter the portfolio in 2022-2023.

Growth will continue in 2023-2024 with the new *Carlton Hill* building in Leeds coming into the portfolio adding £4.3m to turnover, together with the newly leased *Cotton Mills* in Nottingham that will add a further £1.8m. A combined total of £6.1m. Unipol has also agreed to retain *New York Buildings* for a further 25 years and is finalising a lease for that, effective from 2023.

A small proportion of this growth will be offset by *Grayson Heights* leaving the portfolio (-£652K) over summer 2023.

This will see the charity's turnover increase by 44.6% and 2023-2024 will be a significant year of growth.

Finance

The previous two years have seen a significant increase in financial management with rental refunds having to be processed, tenants released, rooms re-let more frequently and increased on-going financial planning having to factor in risk possibilities that might cause revenue to falter. This additional effort has continued with the need to negotiate new energy contracts and improve information on energy (and other) expenditure.

Regulation has continued to add to the financial administrative burden and much of the year was spent seeking to comply with *Client Money Protection* requirements, achieved in November 2022. Tighter anti-money laundering procedures and enhanced due diligence on Unipol's partners where significant sum of money are involved has also been put into place.

The 2022-2023 budget

The budget strategy for 2022-2023 has been overshadowed by the energy crisis resulting in higher costs and the rate of inflation.

Energy costs rose by 110% across the portfolio and this took place after Unipol had set and contracted its rents for the 2022-2023 academic year, and so "bills included" rents cannot be adjusted until the 2023-2024 letting year. As a result the charity is planning for a deficit of £993,288 across the year. Measures are being implemented to monitor energy use more closely and encourage tenants to be responsible in their use of energy.

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

Before the energy cost and inflationary rises were apparent, 2022-2023 saw relatively modest rental increases with actual rental revenue increasing by around 2.6% on 2021-2022. Trustees had previously decided that there would be no attempt to "claw back" previous rent refunds by increasing existing student rents more than they would otherwise have risen

The increase in inflation has also affected lease costs which are RPI based. Although most leases have caps and collars, the *Mill Street* lease is uncapped and has suffered a 12.3% lease increase, an increase that would be unsustainable if more than a one-off event. The lease expires in August 2029 in six years' time.

An allowance for a 3% staffing cost increase consisting of a cost of living increase together with a 1.25% increase in national insurance to fund health and social care has been made. A further £100K contingency has been allowed for and the staffing budget has absorbed the increase in the Living Wage.

The Board agreed to freeze contributions towards the major works and dispersed houses funds once these reached £1m and that threshold has now been reached.

A rental void provision has been made of £405K to cover shortfalls in letting or discounting rents if needed and a bad debt provision of £44K has been made.

In 2023-2024, Unipol will need to ensure that it passes on its higher costs in higher rents. Rent-setting for 2023-2024 has already taken place and rents have increased generally by around 8%-12% (although some are higher and some are lower). The charity has been careful to take note that its own rents need to sit within a competitive rental market and initial impressions are that Unipol's rents remain both competitive and good value for money.

Student Views, Mental Health and Well Being

Covid dramatically affected the student learning experience. This year's first year students had their sixth form teaching badly disrupted with many days of education missed. They also missed the traditional competitive exams system. For those already studying at University, they missed their freshers' experience and most of their face-to-face teaching for a two year period. The outcomes from this are apparent to Unipol and those involved in accommodation.

To what extent Covid has permanently changed student patterns of living is still up for consideration but some short and medium term outcomes can be seen. So far, there is no evidence that students do not want to move away from home to study and demand for accommodation, even during periods of restriction, remained undimmed. That demand has changed between institutions, with growth of demand at the *University of Leeds*, more students being recruited locally by *Leeds Beckett University*, slower growth at the *University of Nottingham* and a stabilising of growth at *Nottingham Trent University*. Growth is also shifting away from home undergraduates to international students, particularly taught postgraduates. All of these cohorts have different housing needs.

The measures of student satisfaction with their higher education experience post-Covid, although recovering, are still not good. The annual *HEPI Student Experience Survey 2022* <https://www.hepi.ac.uk/2022/06/09/2022-student-academic-experience-survey/> showed that whilst 35% of students felt they had received good or very good value (an increase of 8% on 2021) 32% of students felt they had received poor or very poor value.

Also given in that survey are wellbeing indicators. Happiness and life satisfaction improved to 16% of Students feeling that things done in life are worthwhile from 14% in 2020 and 14% in 2020. But anxiety levels did not follow this positive trend and HEPI concluded that "*Even as life returns to normal, the disruption caused by Covid may keep student anxiety levels raised for some time yet.*" All indicators remain far below the general public as measured by the *Office for National Statistics*, regardless of whether measured during the pandemic, showing that higher education continues to be a stressful time in students' lives.

These Covid changes, coupled with anxiety and mental health difficulties can be expected to play a significant role in the mood of students. As the cost of living problems begin to bite on the student

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

population during the 2022-2023 academic year, this could easily see the student cohort experiencing a "feel bad" mood.

Unipol has, over the last three years, committed increasing resources to social programmes and mental health and student wellbeing. The charity has three mental health experts who ensure that all front-facing staff can recognise and report mental health concerns. Over 2021-2022 Unipol ran its strongest and largest social programme with events being well-attended and in late 2022 added a further member of staff to its social team with an emphasis on promoting sustainability.

A few comments from the Tenants Satisfaction Survey give a flavour of the importance of these events:

"These social events was a very good idea as it helped me gain confidence and meet new people. This was a brilliant way to help tenants settle in their new homes for university and I hope more social events can take place."

"Moving onto a new city and new place it was a bit scary but coming onto this lovely accommodation made me feel at home and I truly loved it, every event organised by Sandhills Unipol, everyone that worked at the accommodation, everyone that is living in here were very welcoming and so nice that's what made me feel at ease."

"I really enjoyed the refreshers fair because it was very suited to being a student and everyone there was really helpful and there was a lot of caring understanding people."

"I feel like Unipol really care about our mental health, and meeting all the wonderful people at the socials made me comfortable in Mill Street. And I felt very safe."

"All of those places for me were very nice and cosy, I can say that I would feel at home. Everything was nice and simple yet with a touch of friendliness and I feel like everyone felt the same way. We can hang out together in the common area, study together and chill."

Unipol has also designed its new PBSA buildings to have centrally located and active social spaces and has enhanced those with free tea, coffee and hot chocolate available most of the day. In the smaller postgraduate buildings at *Royal Park Flats* and *Oak House*, a free printer is available. These spaces need managing and promoting, but can be a vital amenity in reducing anxiety and isolation for those living there.

Unipol's houses all have attractive lounges with enough eating space and sofas to ensure that they are at the heart of the house.

In 2021-2022 Unipol undertook an experiment, allowing its tenants living around *Oak House* to have access to the communal facilities in the building (the lounge, the workspace areas, the cardio studio and bike store). The initial evaluation of this initiative shows that most students (around 60 of the 80 offered) took up this offer and most used the facilities regularly. Unipol will build on this notion of "social hubs" in other new buildings and will look to see whether, as office traffic falls and most interaction is now on-line, some of its office space can be converted for use as social hubs.

The Changing Shape of the Portfolio

Unipol has always valued its diverse portfolio and that diversity brought welcome resilience over the pandemic. The charity's recent development, coupled with changes in the regulatory regime and the need to cope with increased financial pressures, will see the balance within the portfolio change.

The *Nottingham* portfolio is growing, fuelled by two lease deals, both involving PBSA (*Cotton Mills* in summer 2023 and *Ilkeston Road* in summer 2024). At present Unipol manages 293 bed spaces in Nottingham, but 88 of these are at the *Student Hideout* (which is a PBSA) and these are likely to be leased to Unipol over summer 2023 leaving just over 205 managed off-street bed spaces together with 26 owned off-street bed spaces, so the ratio of PBSA: off-street will be 418:225. With the addition of *Cotton Mills* and *Ilkeston Road* that will change to 847:225 (this assumes no further growth of the managed

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

properties, although some limited growth could be expected). Unipol currently houses no families in Nottingham.

In Leeds, Unipol manages 210 off-street bed spaces with a much larger owned or leased off-street segment of 606 bed spaces. The ratio of PBSA to off-street in Leeds is 898:816. With the addition of *Carlton Hill* this will change to 1,392:816. In addition, Unipol houses around 210 families in Leeds.

This shift to PBSA, which is considerably more pronounced in Nottingham than Leeds, reflects the overall national shift towards PBSA where around 681,000 students live in PBSA and 551,000 students live in off-street properties. Unipol's overall ratio will be 63% PBSA: 37% off-street and the national picture is 55% PBSA: 45% off-street and this balance is constantly shifting towards PBSA.

Part of Unipol's risk-management, particularly on managed properties and leasing, is that, over time, it is possible to shed properties that are no longer popular or economically viable. Although shedding properties has some impact on overall overhead expenditure, this staged impact is comparatively limited and can be absorbed year-on-year unless there was a significant contraction in the portfolio, which is unlikely.

Structure, Governance 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 six co-opted trustees with three nominated places from Bradford College, Leeds Beckett University and Leeds Beckett Students' Union being vacant.

In relation to age and gender Unipol has a relatively diverse Board with three trustees aged between 18-24 and more female members (14) than male (4). The Board's overall role in accountability and governance of the charity is assisted by a number of committees and from time to time the Board establishes specific working groups or project groups to consider more detailed policy options open to them.

Governance - The Board

The Board met 6 times during the year, including a special meeting to consider matters related to the future *Forward Look*. The annual meeting to visit a selection of Unipol properties was reinstated and it became possible to show incoming trustees properties as part of their induction.

5 of the 6 meetings were held in person with only one meeting being held on Zoom. Because the Board room has been re-equipped it is now possible to have mixed meetings with some participants on Zoom and others present in person and several trustees availed themselves of this option. Generally, there are no more than 4 trustees attending virtually at any face-to-face meeting.

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>

This was a relatively quiet year for changes in governance: there was a "spring clean" of certain inactive Groups and other governance mechanisms, values and ethical standards were reviewed. Considerable work was undertaken recruiting a new Chair and two new Board members, both in senior positions within their own universities, and the benefits of this expertise should be felt in 2023.

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

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

Executive and senior staff members. The Company Secretary is available to deal with any specific issues relating to this pack and trustees confirm to the Board at the first available opportunity that they have read and understood the material sent to them.

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

Trustee review was enhanced by peer-to-peer interviews conducted by the Chair the Deputy Chairs and Ms Catherine Cho but with the addition of some administrative support from the Deputy Chief Executive. The structure and framework on the review process was overhauled and a report issued flagging issues and how these would be taken forward.

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 NCVO, and the self-assessment document can be consulted at: <https://www.unipol.org.uk/footer/governance/corporate-documents-unipol-board/ethical-principles>

The Chair, Mr Mike Wilkinson, indicated that he felt it would be time to stand down towards the end of 2021, once a replacement had been found. In the event he remained Chair until September 2022 when Mr Ian Robertson took the Chair. Mike Wilkinson remains on the Board as Deputy Chair – Partnerships and trustees were pleased to have retained his expertise and service.

Group on Governance

The Group on Governance met twice during this year and in addition to working on the *Charity Ethical Principles* and the *Charity Governance Code*, followed through on a number of matters raised during the trustee review process. The Group became responsible for overseeing Unipol's accreditation systems, rather than this going straight to the Board, and was upgraded to a Committee with the Chairs of the *Leeds and Bradford Group* and the *Nottingham Group* being added to its membership.

Senior Management Team

The Senior Management Team remained unchanged and is in good shape and capable of delivering what needs to be achieved. The Team continues to meet every week to review development and operations.

The Chief Executive announced in June 2022 that he intended to stand down in November 2023, upholding a pledge given several years ago to give a full year's notice. It is likely he will continue to undertake some part time work with the charity after this date, maintaining some institutional memory and undertaking some public realm policy work. The Chair and trustees are now involved in what will be a key recruitment process.

Health and Safety Policy

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

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

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

Unipol is a member of the *Leeds Rental Standard*, 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 STUDENT HOMES

TRUSTEES' REPORT

Unipol continues to have all new and refurbished properties independently assessed under the *Housing Health and Safety Ratings System* (HHSRS) 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 licences are held in the name of the company.

Conclusion

The pervasiveness of the effects of Covid and the economic shocks now being felt within the UK economy have not only constrained development and services in this year, but will continue to be a brake on development going forward.

This does not mean that there will be no development and that things have to stay the same and throughout this report the growth that will take place in summer 2023 has been flagged and that has involved a great deal of preparatory work. Further work has also been undertaken on sustainability and the options associated with zero carbon and the climate crisis to enable a longer term plan to be fully considered and adopted over 2023-2024.

Next year will see an opportunity to raise Unipol's profile with a celebration of 50 years since Unipol's foundation in 1973.

Overall, this has been another difficult year, the third in a row, requiring constant readjustment of services and projects. Despite this, the organisation has managed to retain its sense of purpose, enthusiasm and optimism as the challenges of higher energy costs, inflation and regulation mount.

UNIPOL STUDENT HOMES

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.

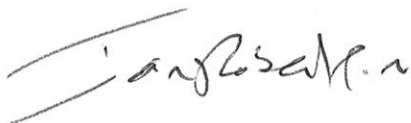
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 8th December 2022 by



Mr Ian Robertson



Ms Jennifer Share

155/157 Woodhouse Lane, Leeds, LS2 3ED

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

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

Opinion

We have audited the financial statements of Unipol Student Homes (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2022 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 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,

they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charity, including the Charities Act 2011;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

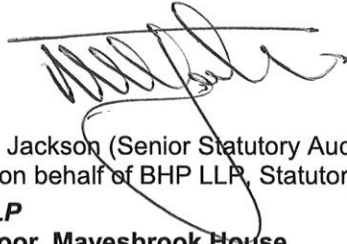
In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

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

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

Use of our report

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

8th December 2022

UNIPOL STUDENT HOMES
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 July 2022

	Note	Unrestricted funds	Restricted funds	Total 2022	Total 2021
		£	£	£	£
Income					
Charitable activities	4	15,357,294	84,353	15,441,647	13,064,764
Other trading activities	5	-	18,000	18,000	18,000
Investments	6	655	-	655	97
		<hr/>	<hr/>	<hr/>	<hr/>
Total Income		15,357,949	102,353	15,460,302	13,082,861
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure					
Charitable activities	7	15,339,743	102,353	15,442,096	13,000,901
		<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditure		15,339,743	102,353	15,442,096	13,000,901
		<hr/>	<hr/>	<hr/>	<hr/>
Gain on disposal of Fixed Asset	14	197,789	-	197,789	257,822
		<hr/>	<hr/>	<hr/>	<hr/>
Net (Deficit)/Surplus	10	215,995	-	215,995	339,782
		<hr/>	<hr/>	<hr/>	<hr/>
Net Income to Designated funds		162,024	-	162,024	239,242
Net Gain on disposal of Fixed Assets		197,789	-	197,789	257,822
Net (Expenditure) to Other Charitable funds		(143,818)	-	(143,818)	(157,282)
		<hr/>	<hr/>	<hr/>	<hr/>
NET MOVEMENT IN FUNDS		215,995	-	215,995	339,782
Total funds brought forward at 1 August	21/22	5,396,759	-	5,396,759	5,056,977
		<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward at 31 July	21/22	5,612,754	-	5,612,754	5,396,759
		<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 2022**

	Note	2022 Group £	2021 Group £	2022 Charity £	2021 Charity £
FIXED ASSETS					
Tangible assets	14	14,026,624	14,178,255	14,026,624	14,178,255
Investment	15	-	-	1	1
		14,026,624	14,178,255	14,026,625	14,178,256
CURRENT ASSETS					
Stock	16	5,677	415	5,677	415
Debtors	17	1,248,294	1,390,264	1,251,481	1,393,451
Cash at bank and in hand		224,713	675,808	224,713	675,808
		1,478,684	2,066,487	1,481,871	2,069,674
CREDITORS: amounts falling due within one year	18	(4,805,870)	(5,860,694)	(4,805,870)	(5,860,694)
NET CURRENT LIABILITIES		(3,327,186)	(3,794,207)	(3,323,999)	(3,791,020)
TOTAL ASSETS LESS CURRENT LIABILITIES		10,699,438	10,384,048	10,702,626	10,387,236
CREDITORS: amounts falling due after more than one year	19	(5,086,684)	(4,987,289)	(5,086,684)	(4,987,289)
		5,612,754	5,396,759	5,615,942	5,399,947
FUNDS					
Unrestricted funds:					
Designated funds	20/21/22	1,000,819	838,795	1,000,819	838,795
Other Charitable funds	20/21/22	4,611,935	4,557,964	4,615,123	4,561,152
		5,612,754	5,396,759	5,615,942	5,399,947

The notes at pages 30 to 48 form part of these accounts

These financial statements were approved by the Board on 8th December 2022

Signed on behalf of the Board



I Robertson



J Share

Company registration: 3401440

UNIPOL STUDENT HOMES
CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 July 2022

	Note	2022 £	2021 £
Net cash inflow from operating activities	A	1,170,860	2,649,826
Returns on investments and servicing of finance	B	(189,005)	(209,637)
Capital expenditure	C	(1,118,700)	(1,148,347)
		<u>(136,845)</u>	<u>1,291,842</u>
Net cash inflow/(outflow) before use of financing			
Management of financing	D	(314,251)	(719,554)
		<u>(451,096)</u>	<u>572,288</u>
Increase in cash	E		

NOTES TO CASH FLOW STATEMENT:

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

	2022 £	2021 £
Incoming/(Outgoing) resources for the year before unrealised gains	215,995	339,782
Interest receivable	(655)	(97)
Interest payable	200,860	206,833
Depreciation charges	1,100,634	1,072,521
Disposal of fixed asset	169,697	250,680
(Increase)/Decrease in stock	(5,262)	1,623
Decrease/(Increase) in debtors	141,970	(39,643)
(Decrease)/Increase in creditors	(652,379)	818,127
	<u>1,170,860</u>	<u>2,649,826</u>

B. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2022 £	2021 £
Interest received	655	97
Interest paid	(189,660)	(209,734)
	<u>(189,005)</u>	<u>(209,637)</u>

C. NET CAPITAL EXPENDITURE

	2022 £	2021 £
Purchase of fixed assets	(1,118,700)	(1,148,347)
	<u>(1,118,700)</u>	<u>(1,148,347)</u>

D. MANAGEMENT OF FINANCING

	2022 £	2021 £
Increase/(Decrease) in overdraft	144,593	(914,645)
(Decrease)/Increase in bank loans	(458,844)	195,091
	<u>(314,251)</u>	<u>(719,554)</u>

UNIPOL STUDENT HOMES
CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 July 2022

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

	2022	2021
	£	£
(Decrease)/Increase in cash in the year	(451,096)	572,288
Cash inflow from financing	314,251	719,554
	<hr/>	<hr/>
Movement in debt in the year	(136,845)	1,291,842
Net debt at 1 August	(5,446,578)	(6,738,420)
	<hr/>	<hr/>
Net debt at 31 July	(5,583,423)	(5,446,578)
	<hr/>	<hr/>

Analysis of net debt

	1 August 2021	Cash flow	Non-Cash Movement	31 July 2022
	£	£	£	£
Cash at bank and in hand	675,808	(451,095)	-	224,713
Decrease in overdraft	-	(144,593)	-	(144,593)
Debt due within one year	(1,641,173)	659,866	-	(981,307)
Debt due after one year	(4,481,213)	(201,023)	-	(4,682,236)
	<hr/>	<hr/>	<hr/>	<hr/>
	(5,446,578)	(136,845)	-	(5,583,423)
	<hr/>	<hr/>	<hr/>	<hr/>

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

UNIPOL STUDENT HOMES

NOTES TO THE GROUP FINANCIAL STATEMENTS

Year ended 31 July 2022

1. ACCOUNTING POLICIES

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) issued on 16 July 2014 and updated in 2019.

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

Accounting convention

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

Basis of consolidation

The group financial statements comprise the results of the Charity and its subsidiary on a line by line basis, for the year ended 31 July 2022.

Preparation of financial statements – Going Concern basis

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

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

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

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

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

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022

1. ACCOUNTING POLICIES (continued)

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

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

Fund accounting

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

Unrestricted funds – Designated funds

Designated funds consist of the following reserves:

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

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

The level of designated funds have been capped at £1m and are expected to be spent and replenished over a ten to fifteen year period in order to carry out refurbishment works

Unrestricted funds – Other Charitable funds

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

Restricted funds

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

Incoming resources

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

Operating leases

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

Allocation of costs

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

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

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

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022

1. ACCOUNTING POLICIES (CONTINUED)

Key judgements and estimates

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

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

Key sources and estimation uncertainty

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

Useful economic lives of tangible assets

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

Provision for doubtful debts

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

Future rental income

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

Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings, computer equipment, fixtures and fittings, furniture and motor vehicles would normally be capitalised when in excess of £5,000 and carried in the balance sheet at historical cost.

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

Depreciation

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

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

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022

1. ACCOUNTING POLICIES (continued)

Assets under the course of construction

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

Stock

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

Taxation

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

Investments

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

Pension schemes

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

2. LEGAL STATUS OF THE CHARITY

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

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022

3. FINANCIAL PERFORMANCE OF THE CHARITY

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

The summary financial performance of the charity alone is:

	Total 2022	Total 2021
	£	£
Income		
Charitable activities	15,441,647	13,064,764
Other trading activities	18,000	18,000
Investments	655	97
Total Income	15,460,302	13,082,861
Expenditure		
Charitable activities	(15,442,096)	(13,000,901)
Total Expenditure	(15,442,096)	(13,000,901)
Net Income/(Expenditure)	18,206	81,960
Gain on disposal of tangible assets	197,789	257,822
NET MOVEMENT IN FUNDS	215,995	339,782
Total funds brought forward at 1 August	5,399,947	5,060,165
Total funds carried forward at 31 July	5,615,942	5,399,947
Represented by:		
Unrestricted income funds	5,615,942	5,399,947
	5,615,942	5,399,947

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2022 £	Unrestricted £	Restricted £	2021 £
Unipol Housing	13,924,917	-	13,924,917	11,680,094	-	11,680,094
Housing Hubs	430,030	40,000	470,030	350,491	55,000	405,491
Code of Standards	106,658	44,353	151,011	95,372	39,100	134,472
National Code of Standards	613,814	-	613,814	581,482	-	581,482
Property Management	254,887	-	254,887	246,112	-	246,112
Conference	26,988	-	26,988	17,113	-	17,113
	<u>15,357,294</u>	<u>84,353</u>	<u>15,441,647</u>	<u>12,970,664</u>	<u>94,100</u>	<u>13,064,764</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 2022

5. INCOME EARNED FROM OTHER ACTIVITIES

	2022 £	2021 £
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 £655 (2021: £97) 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 £	2022 Total £
Direct Costs	2,732,282	24,052	23,742	238,255	26,280	14,560	3,059,171
Repairs & Refurbs	2,047,557	-	-	-	50	124	2,047,731
Staffing	934,214	167,330	47,987	192,632	152,543	19,994	1,514,700
Lease & Management charges	5,682,476	-	-	-	-	-	5,682,476
Major Works	233,520	-	-	-	-	-	233,520
Loan interest	191,437	3,448	689	3,677	1,379	230	200,860
Depreciation	1,022,226	-	-	-	-	-	1,022,226
Support	864,508	374,927	76,495	172,649	67,681	33,997	1,590,257
Governance	<u>39,515</u>	<u>12,668</u>	<u>4,586</u>	<u>25,693</u>	<u>5,232</u>	<u>3,461</u>	<u>91,155</u>
	<u>13,747,735</u>	<u>582,425</u>	<u>153,499</u>	<u>632,906</u>	<u>253,165</u>	<u>72,366</u>	<u>15,442,096</u>

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

Expenditure on charitable activities was £15,442,096 (2021: £13,000,901) of which £15,339,743 (2021: £12,888,801) was unrestricted and £102,353 (2021: £112,100) was restricted.

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022

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 £	2022 Total £
Costs	(13,747,735)	(582,425)	(153,499)	(632,906)	(253,165)	(72,366)	(15,442,096)
Rent	13,659,783	-	-	-	(1,525)	-	13,658,258
Covid Net Rebate	420	-	-	-	-	-	420
Subventions & College Fees	-	227,244	44,353	-	-	-	271,597
Fees	-	146,596	106,658	561,285	20,914	26,371	861,824
Membership Fees	-	32,533	-	-	-	617	33,150
Commission	-	-	-	-	231,832	-	231,832
Sundry Income	<u>264,714</u>	<u>63,657</u>	<u>-</u>	<u>52,529</u>	<u>3,666</u>	<u>-</u>	<u>384,566</u>
Net Cost	<u>177,182</u>	<u>(112,395)</u>	<u>(2,488)</u>	<u>(19,092)</u>	<u>1,722</u>	<u>(45,378)</u>	<u>(449)</u>

	Unipol Housing £	Housing Hubs £	Code of Standards £	National Code of Standards £	Property Management £	Conference £	2021 Total £
Costs	(11,430,020)	(598,884)	(150,066)	(538,108)	(237,074)	(46,749)	(13,000,901)
Rent	11,939,603	-	-	-	(1,905)	-	11,937,698
Covid Net Rebate	(496,750)	-	-	-	-	-	(496,750)
Subventions & College Fees	-	226,205	54,100	-	-	-	280,305
Fees	-	131,182	80,372	526,814	22,467	17,013	777,848
Membership Fees	-	30,647	-	-	-	100	30,747
Commission	-	-	-	-	222,242	-	222,242
Sundry Income	<u>237,241</u>	<u>17,457</u>	<u>-</u>	<u>54,668</u>	<u>3,308</u>	<u>-</u>	<u>312,674</u>
Net Income	<u>250,074</u>	<u>(193,393)</u>	<u>(15,594)</u>	<u>43,374</u>	<u>9,038</u>	<u>(29,636)</u>	<u>63,863</u>

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022

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	2022	Support	Governance	2021
	£	£	Total	£	£	Total
			£			£
General Office Costs	377,183	-	377,183	239,096	-	239,096
IT Expenditure	283,034	-	283,034	357,787	-	357,787
Staff Costs	765,777	66,105	831,882	781,435	64,844	846,279
Depreciation	78,408	-	78,407	124,644	-	124,644
Other Finance Charges	85,855	-	85,855	47,039	-	47,039
Audit	-	25,050	25,050	-	25,593	25,593
Net Cost	<u>1,590,257</u>	<u>91,155</u>	<u>1,681,412</u>	<u>1,550,001</u>	<u>90,437</u>	<u>1,640,438</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.

10. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2022	2021
	£	£
Auditor's remuneration: audit of these financial statements	25,050	25,593
Interest payable	200,860	206,833
Operating leases and management agreements	5,774,826	4,309,564
Depreciation on tangible fixed assets	1,100,634	1,072,521
Directors' liability insurance	3,136	3,136
Interest receivable	(655)	(97)
	<u>7,073,601</u>	<u>5,618,040</u>

11. STAFF NUMBERS AND COSTS

	2022	2021
	No	No
Average number of full-time equivalent employees	<u>57</u>	<u>53</u>
BREAKDOWN OF STAFF PER SECTION		
Housing	35	33
Housing Hubs & Code of Standards	11	10
National Code	5	5
Property Management	5	4
Conferences and ANUK	1	1
TOTAL	<u>57</u>	<u>53</u>

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022

11. STAFF NUMBERS AND COSTS (CONTINUED)

Average number of employees	81	72
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BREAKDOWN OF STAFF PER SECTION

Housing	51	47
Housing Hub & Code of Standards	17	15
National Code	5	5
Property Management	7	4
Conferences and ANUK	1	1
TOTAL	81	72

	2022	2021
	£	£

Staff costs

Wages and salaries	1,916,849	1,802,003
Employer's National Insurance	168,188	148,417
Employer's pension costs (see note 25)	238,989	228,493

Sub-total before administration charge	2,324,026	2,178,913
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Administration Charge	22,556	24,999
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TOTAL	2,346,582	2,203,912
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Employees receiving remuneration amounting to more than £60,000	2022	2021
	No	No
£60,000 - £69,999	1	1
£70,000 - £79,999	-	1
£80,000 - £89,999	2	1
£120,000 - £129,999	-	1
£140,000 - £149,999	1	-

Four higher paid employees (2021: four) had benefits accruing under the defined benefit pension scheme.

The key management personnel of the Charity comprise the trustees, the Chief Executive, Deputy Chief Executive, Director of Finance, Assistant Chief Executive - Housing Services, Assistant Chief Executive - Hub Services, Assistant Chief Executive - Communication and IT, Assistant Chief Executive - Standards, Assistant Chief Executive - Development and Delivery Officer. The total employee benefits of the key management personnel were £620,484 (2021: £593,912).

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022

11. STAFF NUMBERS AND COSTS (CONTINUED)

Payments to Board Members

	2022	2021
	£	£
Andrew Welsh – Consultancy	-	6,720
Michael Wilkinson – Travel expenses as a Board Member	385	-
	<u>385</u>	<u>-</u>

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

The Charity purchased insurance costing £3,136 (2021: £3,136) to provide trustees and officers £5m of cover against loss arising from their neglect or default.

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

	2022	2021
	£	£
Included in Unipol Housing expenditure:		
Bank and other loans	200,860	206,833
	<u>200,860</u>	<u>206,833</u>

**UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022**

14. TANGIBLE FIXED ASSETS

Group and charity

	Freehold land and buildings £	Leasehold land and buildings £	Computer equipment £	Fixtures and fittings £	Unipol property furniture £	Motor Vehicles £	Assets under the course of construction £	Total £
Cost								
At 1 August 2021	16,687,454	9,311,246	1,044,829	871,241	815,723	53,046	101,917	28,885,456
Transfer	36,142	65,775	-	-	-	-	(101,917)	-
Additions	535,379	537,964	45,357	-	-	-	-	1,118,700
Disposals	(224,596)	(34,582)	-	-	(4,467)	-	-	(263,645)
At 31 July 2022	17,034,379	9,880,403	1,090,186	871,241	811,256	53,046	-	29,740,511
Accumulated depreciation								
At 1 August 2021	5,760,889	6,446,646	949,059	828,801	678,076	43,730	-	14,707,201
Transfer	-	-	-	-	-	-	-	-
Charge for the year	512,880	497,182	44,072	6,429	34,163	5,908	-	1,100,634
Disposals	(54,899)	(34,582)	-	-	(4,467)	-	-	(93,948)
At 31 July 2022	6,218,870	6,909,246	993,131	835,230	707,772	49,638	-	15,713,887
Net book value								
At 31 July 2022	10,815,509	2,971,157	97,055	36,011	103,484	3,408	-	14,026,624
At 31 July 2021	10,926,565	2,864,600	95,770	42,440	137,647	9,316	101,917	14,178,255

The Charity sold one property in August 2022 resulting in a gain of £197,789 to mitigate part of the costs borne by the Charity as a result of Covid and to strengthen cash flow.

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022

15. INVESTMENTS HELD AS FIXED ASSETS

Charity

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

	2022	2021
	£	£
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:

	2022	2021
	£	£
Total assets	-	-
Total liabilities	(3,187)	(3,187)
	<hr/>	<hr/>
	(3,187)	(3,187)
	<hr/> <hr/>	<hr/> <hr/>
Represented by:		
Called up share capital	1	1
Profit and loss account	(3,188)	(3,188)
	<hr/> <hr/>	<hr/> <hr/>
	(3,187)	(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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Furniture	5,677	415	5,677	415
	<hr/>	<hr/>	<hr/>	<hr/>
	5,677	415	5,677	415
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022

17. DEBTORS

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Owed from subsidiary undertaking	-	-	3,187	3,187
Rents receivable	40,304	557	40,304	557
Other debtors	325,486	749,604	325,486	749,604
Prepayments and accrued income	882,504	640,103	882,504	640,103
	<u>1,248,294</u>	<u>1,390,264</u>	<u>1,251,481</u>	<u>1,393,451</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Overdraft	144,593	-	144,593	-
Loans (see note 19)	981,307	1,641,173	981,307	1,641,173
Returnable deposits	156,400	339,290	156,400	339,290
Trade creditors	953,509	1,695,537	953,509	1,695,537
Taxation and social security costs	17,468	13,650	17,468	13,650
Other creditors	512,515	393,593	512,515	393,593
Accruals	1,353,177	836,580	1,353,177	836,580
Deferred income (see below)	686,901	940,871	686,901	940,871
	<u>4,805,870</u>	<u>5,860,694</u>	<u>4,805,870</u>	<u>5,860,694</u>

ANALYSIS OF DEFERRED INCOME

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Rental income	363,493	618,773	363,493	618,773
Contribution from Landlords towards capital works	101,040	102,084	101,040	102,084
Subventions, fees and funding income	222,368	220,014	222,368	220,014
	<u>686,901</u>	<u>940,871</u>	<u>686,901</u>	<u>940,871</u>

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

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022

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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	4,682,236	4,481,213	4,682,236	4,481,213
Deferred Income	404,448	506,076	404,448	506,076
	<u>5,086,684</u>	<u>4,987,289</u>	<u>5,086,684</u>	<u>4,987,289</u>

The bank loans are secured on a number of properties within the portfolio. One bank lends to Unipol with loans expiring between 2027 and 2029, one bears an interest rates of 2.25% over base and two further loans are at a fixed rate of 3.32% and 3.87%. A further bank lends to Unipol with loans expiring between 2024 and 2032 with interest rates of 2.68% over Bank of England Base rate and six fixed rate loans of 3.14%, 3.53%, 3.6%, 4.11%, 4.14%, and 4.16%.

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

	Group and Charity	
	2022	2021
	£	£
Analysis of loan repayments		
Bank loans and other loans		
Within one year or on demand (see note 18)	981,307	1,641,173
Between one and two years	885,899	787,280
Between two and five years	3,139,858	2,231,871
After five years	656,479	1,462,062
	<u>5,663,543</u>	<u>6,122,386</u>

20. ANALYSIS OF GROUP ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted funds		Total 2022	Total 2021
	Designated funds	Undesignated funds		
	£	£	£	£
Fixed assets		14,026,624	14,026,624	14,178,255
Current assets	1,000,819	477,503	1,478,684	2,066,487
Creditors: amounts falling due within one year		(4,805,870)	(4,805,870)	(5,860,694)
Creditors: amounts falling due after more than one year		(5,086,684)	(5,086,684)	(4,987,289)
	<u>1,000,819</u>	<u>4,611,935</u>	<u>5,612,754</u>	<u>5,396,759</u>

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022

21. STATEMENT OF MOVEMENT ON RESERVES

Charity as at 31 July 2022

	Unrestricted funds: Designated funds £	Unrestricted funds: Other charitable funds £	Total funds £
At 1 August 2021	838,795	4,561,152	5,399,947
Net movement in funds	(233,520)	449,515	215,995
Transfers	395,544	(395,544)	-
At 31 July 2022	1,000,819	4,615,123	5,615,942

Charity as at 31 July 2021

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

Group as at 31 July 2022

	Unrestricted funds: Designated funds £	Unrestricted funds: Other charitable funds £	Total funds £
At 1 August 2021	838,795	4,557,964	5,396,759
Net movement in funds	(233,520)	449,515	215,995
Transfers	395,544	(395,544)	-
At 31 July 2022	1,000,819	4,611,935	5,612,754

Group as at 31 July 2021

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

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022

22. MOVEMENT IN GROUP FUNDS

As at 31 July 2022

	Balance 31 July 2021	Income	Expenditure	Transfers	Gain on Sale of Fixed Assets	Balance 31 July 2022
	£	£	£	£	£	£
Unrestricted funds						
Designated funds:						
Major works reserve	638,795	-	(233,520)	355,546	-	760,821
Dispersed Houses reserve	200,000	-	-	39,998	-	239,998
	838,795	-	(233,520)	395,544	-	1,000,819
Undesignated funds:						
Other unrestricted funds	4,557,964	15,357,949	(15,106,223)	(395,544)	197,789	4,611,935
Total unrestricted funds	5,396,759	15,357,949	(15,339,743)	-	197,789	5,612,754
Restricted funds						
Housing Hubs and Code of Standards:						
Bradford	-	25,000	(25,000)	-	-	-
Nottingham	-	59,353	(59,353)	-	-	-
Sponsorship	-	18,000	(18,000)	-	-	-
Total restricted funds	-	102,353	(102,353)	-	-	-
Total funds	5,396,759	15,460,302	(15,442,096)	-	197,789	5,612,754

As at 31 July 2021

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

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022

22. MOVEMENT IN GROUP FUNDS (continued)

The Unrestricted Funds are:

Designated funds consisting of the following reserves:

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

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

The Restricted Funds are:

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

Housing Hub and Code of Standards - Nottingham - This is £30,000 from Nottingham Trent University to run the Hub and support accreditation in Nottingham together with £29,353 from Nottingham City Council to run accreditation in Nottingham.

Sponsorship - This is sponsorship funding for the conference section.

Transfers

The movement of £395,544 represents a transfer from the general reserve to the designated reserves for major works and works to dispersed houses.

23. CAPITAL COMMITMENTS

	2022	2021
	£	£
Unipol had contracted commitments at 31st July for future capital projects totalling	-	152,139
	<u> </u>	<u> </u>

24. LEASE COMMITMENTS

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

	2022	2021
	£	£
Amount due within one year	6,601,373	5,807,103
Amount due between one and five years	27,271,930	25,336,804
Amount due after more than five years	93,834,125	93,099,912
	<u>127,707,428</u>	<u>124,243,819</u>

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

The Charity budgets to receive rental income in respect of properties held on lease and management agreements of £13,658,678 (2021: £11,587,684)

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.

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2022

25. PENSION SCHEMES (continued)

The triennial valuation of Universities Superannuation Scheme showed that as at 31 March 2020 the scheme had a deficit of £14.1bn. A further report was commissioned as to the funding position as at 31 March 2021 that showed the scheme deficit had reduced to £5.6bn. Employer contribution levels rose to 21.6% of salary from 1 April 2022 previously 21.4%.

The triennial valuation of the University of Leeds Pension and Assurance Scheme as at 31 March 2020 showed that the Scheme had a deficit of £66.2m, equivalent to a funding level of 87%. Given the unusual market conditions prevailing in March 2020, a further valuation was carried out as at 31 March 2021. This valuation showed that there was a surplus of £24.2m, equivalent to a funding level of 105%. During the year the employer contribution rate was 16%, with the employee contribution rate at 7.5% both unchanged from the previous year. The University continues to pay the annual PPF levy and the cost of any ill health early retirement benefit enhancements.

The pension cost for the year was £238,989 (2021: £228,493).

26. POST BALANCE SHEET EVENTS

On 15 November 2022 an Agreement to Lease for a twenty five year term was signed with Clarendon Cotton Mill Limited for a building known as Cotton Mills, Norwood Road, Radford Boulevard, Nottingham, NG7 3BR – consisting of 273 en-suite beds at an initial lease fee of £1,113,329.