

**Charity numbers: 285189 & SCO38300**

**THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2020**

**THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST**

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## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2020

#### **Trustees**

L Adams, Chair and Co-opted Trustee  
R Avann, OUSA Chief Executive  
C Brown, Immediate Past President (appointed 01/08/2020)  
C Cowan (resigned 31/07/2020)  
R Flynn, OU Vice Chancellor Nominee  
S Goodyear, Co-opted Trustee  
A Kingan, Deputy Chair and OUSA VP Student Support  
M Porterfield, OUSA Vice President Administration (appointed 01/08/2020)

#### **Charity registered numbers**

285189 and SCO38300

#### **Principal office**

P.O. Box 397  
Walton Hall  
Milton Keynes  
Buckinghamshire  
MK7 6BE

#### **Independent auditor**

James Cowper Kreston  
Chartered Accountants and Statutory Auditor  
2 Chawley Park  
Cumnor Hill  
Oxford  
Oxfordshire  
OX2 9GG

#### **Bankers**

National Westminster Bank plc  
501 Silbury Boulevard  
Milton Keynes

#### **Solicitors**

Stone King LLP  
Boundary House  
91 Charterhouse Street  
London  
EC1M 6HR

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2020

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The Trustees present their annual report together with the audited financial statements of The Open University Students Educational Trust (Ouset) for 1 August 2019 to 31 July 2020. The Trustees confirm that the annual report and financial statements of the Charity comply with the current statutory requirements, its Declaration of Trust and the provisions of the Charities SORP (FRS 102).

#### OBJECTIVES AND ACTIVITIES

##### Objectives and Aims

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

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

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

##### Activities for achieving objectives

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

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

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

##### Grant Making Policy

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

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

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

This year, the Charity has received a number of applications from students whose financial situation has been adversely impacted by the COVID-19 pandemic. All applications are considered against the criteria in place at that time, which is regularly reviewed and revised by the Trustees to reflect changes in the Higher Education Sector.

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

##### Volunteers

With the exception of the Open University Vice Chancellor's nominee and the Open University Students Association Chief Executive, all other Trustees are volunteers and only receive expenses in return for completing their duties.

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

#### ACHIEVEMENTS AND PERFORMANCE

Trustees aim to support all applications that meet the published criteria and do not place a cap on the number of awards it can grant in a period.

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

In 2019/20, OUSET supported 59 students who met the funding criteria, granting a total of £97,563 in awards. There has been a significant decrease in the number of applications received in comparison to the previous year. Although, the specific reasons are unknown, we know that the COVID-19 pandemic has had an impact. For example, it has meant that students in secure environments were unable to access April and May presentations to study, and with Education Officers in those settings only just returning to work, they have been unable to progress as many applications as usual.

Trustees have also given consideration during the year to a request from the OU to provide funding to support a COVID-19 crisis fund but decided this did not meet our criteria for support at this time. We work closely with the OU to target funding where the need is greatest and where an institutional grant is agreed to be the most efficient and effective way of reaching a demographic identified as being in high need of financial support. To this end, we provided £300,000, over a 3-year period (ending in 2018/19), for a Scholarship Programme for Students in Secure Environments and, in addition contributed £20,000 last year to a fund set up to support students as carers. Of the £300,000 OUSET granted to the Scholarship Programme, £69,959 remained unallocated in the OU's accounts as at 31 July 2020. However, Trustees agreed to extend the deadline to 31 July 2021 by which time funds should be spent, recognising the COVID-19 impact on the level of applications to this fund.

Over the last few years, the Trust has expended more than it has generated in income and so reserves are declining. Trustees will therefore seek to develop new approaches to income generation and review its investment policy over the coming year.

#### FINANCIAL REVIEW

##### Income and Expenditure

Expenditure in the year exceeded income by £81,812.

The Charity relies on donations and legacies to fund its activities and these are unpredictable. To maximise the amount it receives from donations, the Trust is registered for Gift Aid. In 2019/20, we reclaimed £722 from HMRC.

Other than expenditure on grants, the Trust's largest area of expenditure is the management fee payable to the Association based on a percentage of staff time allocated to the administration and management of the Trust. The basis of the management fee is reviewed annually and agreed between Trustees of the Students Association and Trustees of the Educational Trust.

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

##### Reserves

The charity brought forward total reserves of £826,515 of which £13,140 is restricted to the allocation of awards to students studying maths, science of technology.

Free reserves have reduced by £81,812 to £731,563.

There was no movement in the year on the restricted fund which remains at £13,140.

The total funds available carried forward to 2020/21 are therefore £744,703.

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

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

The current Higher Education sector financial picture remains uncertain and ever changing and therefore the context that we operate in is a challenging environment where the Trustees have to apply financial prudence to their decision making to ensure OUSET financial sustainability. Nonetheless it is our desire to attract hard to reach students and raise awareness about the Charity's work.

#### **Investment policy and performance**

In July, Trustees approved the investment of £600,000 in a 95-day deposit account. However, interest rates reduced significantly soon afterwards, so this has not performed as expected.

Over the coming year, Trustees will review the Charity's investment policy and consider other options it may have for income generation, to help ensure the financial sustainability of the Trust for years to come.

#### **Going concern**

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

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

The Open University Students' Educational Trust (OUSET) is controlled by its governing document, a Declaration of Trust, dated 22 May 1982 as amended by a scheme dated 9 October 1992 and constitutes a charitable trust.

#### **Method of Appointment or Election of Trustees**

As per the governing document, four of the Trustee positions are appointed by virtue of their position within The Open University Students Association (OUSA).

One further position is appointed by virtue of their previous position within OUSA, as it is reserved for the Immediate Past President. One further Trustee is nominated by the Vice Chancellor of the Open University and there are two co opted positions. It is envisaged that all Trustees will serve terms of two years in line with the main election periods within OUSA, although there is no current limit on duration.

#### **Policies Adopted for the Induction and Training of New Trustees**

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

#### **Pay Policy for Senior Staff**

OUSET does not employ any staff. Instead, OUSET pays a management charge to the Open University Students Association for the staffing support that it receives.

The day to day management of the Charity is managed by the Open University Students Association's Head of Operations and her team, supported by the Finance and Resources team.

#### **Organisational Structure and Decision Making**

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

These forums provide the opportunity for Trustees to consider applications, meet virtually, discuss the business of the Trust and engage with OUSA staff who support Trust's administrative functions. In addition, there are usually at least two face to face meetings taking place in any given financial year.

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

#### Related Party Relationships

The Open University Students Association was instrumental in establishing OUSET and takes responsibility for fundraising on OUSET's behalf.

The Association donates surplus funds derived from self-generated income sources, for example, commission earned from the sale of the TOTUM student discount card. No donation was made in 2019/20.

Through the OU Students Shop, the Students' Association invites customers to make a voluntary donation to support the activities of OUSET. In 2019/20, donations from this source totalled £5,641.

#### Risk Management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure that appropriate controls and systems are in place. OUSET does not directly employ any staff members but day to day duties are handled by the OUSA Operations Team and overseen by the Head of Operations on behalf of the OUSA Senior Management Team.

Trustees have identified its principal risks as:

- The threat to financial sustainability from the erosion of reserves from expenditure continuing to exceed income;
- Loss or unavailability for prolonged periods of key personnel affecting the ability to progress applications within required timeframes.

#### PLANS FOR FUTURE PERIODS

##### Future Developments

OUSET keeps its operation, its criteria and application guidelines under review to ensure continuous improvement to deliver an organisation that can better achieve its objectives.

During the year OUSET has taken steps towards updating its governing document, Declaration of Trust, to make improvements to the administration and effectiveness of the Trust, and to invite more independent representation.

The main focus for 2020/21 will be to review our funding criteria in the light of changes in the Higher Education sector and to ensure we are reaching students most in need of support and can demonstrate the grants we allocate are making a positive difference. To secure the Trust's longer term sustainability, we will also consider options for income generation and review our costs.

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

#### TRUSTEES' RESPONSIBILITIES STATEMENT

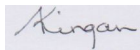
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales and Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

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



Alison Kingan 10 Nov 2020 16:54:16 GMT (UTC +0) .....

**A Kingan, Deputy Chair and OUSA VP Student Support**

Date: 10 November 2020



## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

#### Opinion

We have audited the financial statements of The Open University Students Educational Trust (the 'charity') for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST (CONTINUED)

#### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

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

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

#### Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST (CONTINUED)

#### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



#### James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park

Cumnor Hill

Oxford

Oxfordshire

OX2 9GG

Date: 17/11/2020

James Cowper Kreston are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 JULY 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>					
Donations and legacies	3	74,564	-	74,564	228,017
Investments	4	2,074	-	2,074	2,344
<b>Total income</b>		<b>76,638</b>	<b>-</b>	<b>76,638</b>	<b>230,361</b>
<b>Expenditure on:</b>					
Charitable activities	5	158,450	-	158,450	338,962
<b>Total expenditure</b>	5	<b>158,450</b>	<b>-</b>	<b>158,450</b>	<b>338,962</b>
<b>Net expenditure</b>		<b>(81,812)</b>	<b>-</b>	<b>(81,812)</b>	<b>(108,601)</b>
<b>Net movement in funds</b>		<b>(81,812)</b>	<b>-</b>	<b>(81,812)</b>	<b>(108,601)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		813,375	13,140	826,515	935,116
Net movement in funds		(81,812)	-	(81,812)	(108,601)
<b>Total funds carried forward</b>		<b>731,563</b>	<b>13,140</b>	<b>744,703</b>	<b>826,515</b>

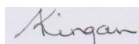
The notes on pages 13 to 21 form part of these financial statements.

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

BALANCE SHEET  
AS AT 31 JULY 2020

	Note	2020 £	2019 £
<b>Current assets</b>			
Debtors	9	51,876	45,337
Cash at bank and in hand		717,885	826,168
		<u>769,761</u>	<u>871,505</u>
Creditors: amounts falling due within one year	10	(25,058)	(44,990)
<b>Net current assets</b>		<u>744,703</u>	<u>826,515</u>
<b>Total net assets</b>		<u><u>744,703</u></u>	<u><u>826,515</u></u>
<b>Charity funds</b>			
Restricted funds	11	13,140	13,140
Unrestricted funds	11	731,563	813,375
<b>Total funds</b>		<u><u>744,703</u></u>	<u><u>826,515</u></u>

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



Alison Kingan 10 Nov 2020 16:54:16 GMT (UTC +0)

**A Kingan, Deputy Chair and OUSA VP Student Support**

Date: 10 November 2020

The notes on pages 13 to 21 form part of these financial statements.

**THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	(108,283)	(155,770)
	<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>	<b>(108,283)</b>	<b>(155,770)</b>
Cash and cash equivalents at the beginning of the year	826,168	981,938
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>717,885</b>	<b>826,168</b>
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 13 to 21 form part of these financial statements

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

#### 1. General information

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

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

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

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

##### 2.2 Going concern

The Trustees have considered the impact of the global COVID-19 pandemic on the ability of the charity to continue operating for the foreseeable future. This review has included considering the impact of the pandemic to the date of signing the financial statements and updating financial projections. Based on this review and taken together with existing financing facilities the Trustees believe that the financial statements have been prepared appropriately on the going concern basis.

##### 2.3 Income

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

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

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

#### 2. Accounting policies (continued)

##### 2.4 Expenditure

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

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

##### 2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

##### 2.6 Debtors

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

##### 2.7 Cash at bank and in hand

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

##### 2.8 Liabilities and provisions

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

##### 2.9 Financial instruments

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



**THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

**2. Accounting policies (continued)**

**2.10 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**3. Income from donations and legacies**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	Total funds 2019 £
Donations	10,527	<b>10,527</b>	114,884
Legacies	64,037	<b>64,037</b>	113,133
<b>Total 2020</b>	<u>74,564</u>	<u><b>74,564</b></u>	<u>228,017</u>
Total 2019	<u>228,017</u>	<u>228,017</u>	

**4. Investment income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>	Total funds 2019 £
Bank interest received	2,074	<b>2,074</b>	2,344
Total 2019	<u>2,344</u>	<u>2,344</u>	

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020

## 5. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Grants	-	97,563	-	97,563	274,442
Direct costs	53,964	-	-	53,964	58,360
Governance costs	-	-	6,923	6,923	6,160
<b>Total 2020</b>	<b>53,964</b>	<b>97,563</b>	<b>6,923</b>	<b>158,450</b>	<b>338,962</b>
Total 2019	58,360	274,442	6,160	338,962	

## Analysis of direct costs

	Direct costs 2020 £	Total funds 2020 £	Total funds 2019 £
Management charges	53,328	53,328	57,757
Postage and stationery	134	134	126
Board meetings	70	70	193
Card transaction charges	355	355	201
Data protection	35	35	35
Bank charges	42	42	48
	<b>53,964</b>	<b>53,964</b>	<b>58,360</b>

## Analysis of support costs

	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Governance costs	6,923	6,923	6,160

**THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Analysis of grants**

	<b>Grants to Institutions 2020 £</b>	<b>Grants to Individuals 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
Grants	-	97,563	<b>97,563</b>	274,442
Total 2019	120,000	154,442	274,442	

**7. Net income/(expenditure)**

This is stated after charging:

	<b>2020 £</b>	<b>2019 £</b>
Auditor's remuneration	<b>4,560</b>	4,440

During the year, no Trustees received any remuneration (2019 - £NIL).

During the year, no Trustees received any benefits in kind (2019 - £NIL).

During the year, 2 Trustees received reimbursement of expenses totalling £579 (2019 - 4 Trustees £1,270).

**8. Staff costs**

The Charity has no employees other than the Trustees, who did not receive any remuneration (2019 - £nil).

**9. Debtors**

	<b>2020 £</b>	<b>2019 £</b>
Other debtors	<b>6,297</b>	4,564
Prepayments and accrued income	<b>45,579</b>	40,773
	<b>51,876</b>	45,337

**THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Creditors: Amounts falling due within one year**

	<b>2020</b>	2019
	£	£
Amounts owed to The Open University Students Association	-	50
Other creditors - grants payable	<b>20,498</b>	40,501
Accruals and deferred income	<b>4,560</b>	4,439
	<u><b>25,058</b></u>	<u>44,990</u>
	<u><u><b>25,058</b></u></u>	<u><u>44,990</u></u>

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020

## 11. Statement of funds

## Statement of funds - current year

	Balance at 1 August 2019 £	Income £	Expenditure £	Balance at 31 July 2020 £
<b>Unrestricted funds</b>				
General Funds	813,375	76,638	(158,450)	731,563
<b>Restricted funds</b>				
Legacies - student support	13,140	-	-	13,140
<b>Total of funds</b>	<b>826,515</b>	<b>76,638</b>	<b>(158,450)</b>	<b>744,703</b>

## Statement of funds - prior year

	Balance at 1 August 2018 £	Income £	Expenditure £	Balance at 31 July 2019 £
<b>Unrestricted funds</b>				
Students in Secure Environment	100,000	-	(100,000)	-
General Funds	821,976	230,361	(238,962)	813,375
<b>Restricted funds</b>				
Legacies - student support	13,140	-	-	13,140
<b>Total of funds</b>	<b>935,116</b>	<b>230,361</b>	<b>(338,962)</b>	<b>826,515</b>

Restricted funds represent amounts received from legacies for use on science, mathematics or technology courses.

## THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

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## 12. Analysis of net assets between funds

## Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Current assets	756,621	13,140	769,761
Creditors due within one year	(25,058)	-	(25,058)
<b>Total</b>	<b>731,563</b>	<b>13,140</b>	<b>744,703</b>

## Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Current assets	858,365	13,140	871,505
Creditors due within one year	(44,990)	-	(44,990)
<b>Total</b>	<b>813,375</b>	<b>13,140</b>	<b>826,515</b>

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

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	-	-
<b>Adjustments for:</b>		
Net expenditure for the year	(81,812)	(108,601)
Increase in debtors	(816)	(44,930)
Decrease in creditors	(25,655)	(2,239)
<b>Net cash used in operating activities</b>	<b>(108,283)</b>	<b>(155,770)</b>

**THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	717,885	826,168
<b>Total cash and cash equivalents</b>	<b>717,885</b>	<b>826,168</b>

**15. Analysis of changes in net debt**

	At 1 August 2019 £	Cash flows £	At 31 July 2020 £
Cash at bank and in hand	826,168	(108,283)	717,885
	<b>826,168</b>	<b>(108,283)</b>	<b>717,885</b>

**16. Related party transactions**

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

During the year a management charge of £53,328 (2019: £57,757) and other costs of £1,596 (2019: £187) were charged by OUSA. At the year end a balance of £nil (2019: £nil) was payable.

During the year OUSA made a donation of £nil (2019: £100,000) from funds raised from NUS commission.

During the year donations of £5,628 (2019: £7,537) were collected by OUSA (Services) Limited, a subsidiary of OUSA. At the year end a balance of £574 (2019: £nil) was receivable. Also during the year, purchases of £355 (2019: £326) were made from OUSA (Services) Limited. At the year end a balance of £nil (2019: £251) was payable.

During the year expenses totalling £579 (2019: £1,270) were reimbursed to 2 Trustees (2019: 4). At the year end a balance of £nil (2019: £nil) was payable.

**17. Controlling party**

The Trustees consider that there is no ultimate controlling party.