

THE COUNCIL

OU Students Association Annual Report and Audited Accounts 2020/21

ACTION REQUIRED FROM COUNCIL:

ACTION:	To Note: a) annual report of activities for 2020-21 (Appendix 1) which also includes details of donations and affiliations. b) audited accounts for 202-21 (Appendix 2) which were previously presented to the Finance Committee on 4 November 2021.
(AND ON WHAT BASIS)	As per Primary Responsibility 9, Students Union

STRATEGIC OBJECTIVE:

RELEVANT STRATEGIC OBJECTIVE	Not applicable
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STRATEGIC RISK:

RELEVANT STRATEGIC RISK	Not applicable
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OFS CONDITION OF REGISTRATION:

RELEVANT CONDITION(S) OF REGISTRATION	Not applicable
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OWNERSHIP:

Author	Rob Avann, 01908 858379 or rob.avann@open.ac.uk	Contact	Sarah Jones President, 2020-22, Open University Students Association
Date of paper		Contact	
VCE Sponsor		Contact	
Previous scrutiny with dates			

EXECUTIVE SUMMARY:

ISSUE AND SUMMARY RECOMMENDATIONS
This paper presents the OU Students Association Annual Report and Audited Accounts 2020/21 in compliance with the requirements under Section 22 of the Education Act 1994 and Appendix 1 of our Relationship Agreement. To note (as above)
FINANCE AND RESOURCES
Not applicable

Sarah Jones
President, 2020-22, Open University Students Association

For further information please contact:
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Attachments:

C-2021-06-16 Appendix 1 Annual Report 2020-21
C-2021-06-16 Appendix 2 Audited Accounts 2020-21



Annual Report 2020-21

Foreword from our President, Sarah Jones



1st August 2020 was my first day of being President of the Open University Students Association. It was a mixture of absolute pride and utter panic as I took my first steps. Never have I felt imposter syndrome more!

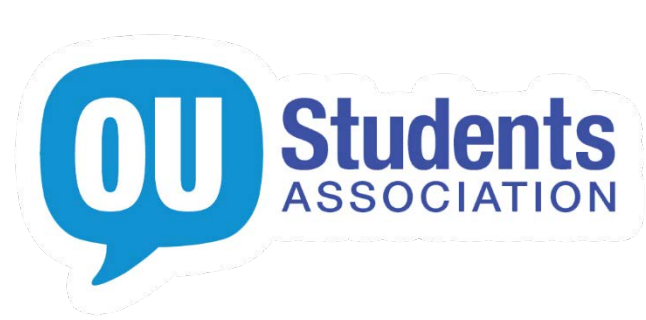
As I look back over my first year, I am amazed at how much we, as an Association, have achieved. I still feel that sense of absolute pride as we present to Council members our annual report of achievements and highlights for 2020-21.

Thank you to everyone involved, from our student representatives and volunteers, to our staff and Trustees.





Introduction and background



Introduction

- The purpose of this report is to provide an overview of our activities and achievements during the previous financial year 1 August 2020 to 31 July 2021. This year, we have altered the format to present this as a slide deck rather than as a narrative report. We welcome feedback on this approach.
- We also attach our audited accounts for this period, which were formally considered by the University's Finance Committee on 4 November 2021.
- Finally, we offer a summary of some of our plans for 2021-22.



Structure of this report

- In keeping with previous narrative reports, we present our annual report against our strategic aims (Inform and Support; Engage and Involve; Influence and Transform) and our compliance statement.
- We also present details of our next steps to implement the recommendations from our external governance review, including what Council members can expect to see in the coming months.
- We further summarise some of our main plans for 2021-22, an exciting year in our history.

Our strategy: a refresher

OUR STRATEGIC AIMS

INFORM & SUPPORT

Increase awareness
Improve relevance

Ensure that every OU student knows that they are a member of the Association and can easily access the services, support and resources that they want and need during every stage of their student journey.

ENGAGE & INVOLVE

Increase engagement
Improve opportunities

Increase student engagement levels by creating a greater range of opportunities for involvement in the wider student community.

INFLUENCE & TRANSFORM

Increase influence
Improve impact

Empower students to take a leading role in influencing the decisions that impact their study journeys and their student experience.

OUR STRATEGIC OBJECTIVES

INFORM & SUPPORT

SHORT TERM

Improve our visibility and accessibility to all OU students and actively promote the benefits of Association membership

MEDIUM TERM

Listen to, and understand, student needs in order to evaluate and improve our existing services

LONG TERM

Maintain our relevance by developing and implementing new services that meet the evolving needs of students

ENGAGE & INVOLVE

SHORT TERM

Increase student involvement in Association activities and events

MEDIUM TERM

Provide more opportunities for students to achieve positive outcomes through engagement and volunteering

LONG TERM

Extend beyond our current reach to build a bigger and stronger student community with more varied voices

INFLUENCE & TRANSFORM

SHORT TERM

Establish purposeful and impactful relationships with key internal and external stakeholders

MEDIUM TERM

Embed partnership working & collaboration into Association and OU standard ways of working

LONG TERM

Influence education policy



Inform and Support



Inform and Support

- Awareness of the Students Association is up to 85.7% (NSS 2021).
- Awareness of the Students Association's strategy among students was up to 27% in the OU brand tracker in May 2021, from 6% at the beginning of the year.
- Social media engagement continues to grow. Facebook likes are up 2% to 36.7k, Twitter followers are up 8% to 30.9k. We've also established a more regular presence on LinkedIn.



Inform and Support

- Website visitors to oustudents.com are up 6% overall, with new visitors up by 9.7% on 2020.
- The Hoot (our magazine site) received 45k page views, and regular visitors increased 87% to just under 16k.
- Our new bilingual newsletter for students in Wales has 469 students signed up to receive it regularly.
- OUSET supported 53 students to study for a total of £121k in grants.



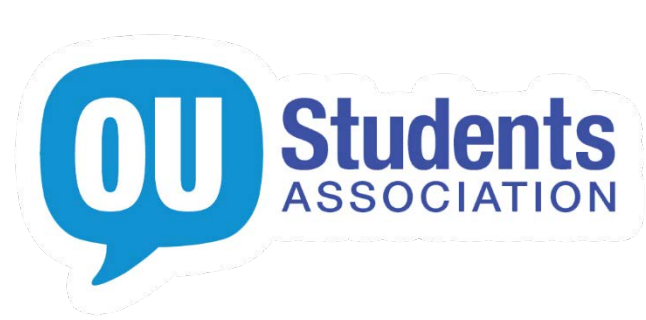
Inform and Support

- Working with colleagues within the University, and championed by one of our student representatives, we secured the opportunity for Association publicity and marketing materials to be sent out inside all module materials packages for new students as of the 21J intake. We are already, at the time of writing, seeing a huge uplift in awareness and engagement from our students as a result of this initiative, which we believe will have a significant impact on our awareness. We look forward to sharing more information on this in next year's report.
- We completed our strategy project to map the current student journey and this is shaping how we plan our communications and messaging around this.



Inform and Support

- We completed our strategy project to undertake a feasibility review into the Association introducing a student advice service to support students proceeding through the University's complaints and disciplinary processes (individual representation). Thanks to the support of PVC-Students and team, we secured the funding for a 15 month pilot scheme. This [service](#) offers direct case support to students with stage 2 appeals and above and commenced in August 2021, with early signs being hugely positive. Alongside the option to request direct case support, we have also produced an [online resource hub](#) to support students. We're excited to share more on this as the service develops over the next year!



Inform and Support

- Our Library Study Volunteers scheme continued to go from strength to strength, with over a hundred requests from students in secure environments supported. It continues to be one of our most popular volunteering opportunities, and we're working to support Faculties with expansion of the scheme. Peer Support was similarly popular throughout the year.
- Our student groups (Disabled Students Group, OU Pride (formerly Plexus) and BAME Students) saw their membership increase by an average of 59% over the year.



Inform and Support

- Our EDI Working Group have carried out the following actions:
 - Implemented Equality Impact Assessments across our work
 - Commissioned EDI research which will support strategy development
 - Hosted community consultations with our students
 - Began work on a Student EDI Consultation Panel
 - Collated support resources for Black students
 - Organised and hosted our first-ever EDI Conference for our student volunteers, with a focus on the importance of pro-nouns; the importance of accessibility and an awareness of the issues behind the degree awarding gap between Black and White students.



Engage and Involve



Engage and Involve

- Over the course of the year, we supported more than 120 online events to support the student community through the pandemic. These included quizzes, socials, bingo, film nights, study sessions, Societies events and wellbeing events.
- We also supported the creation of 20 new student Clubs (with 3400 student members) and 3 new Societies. In total, we now have 84 student Clubs with 14k members and 17 active Societies with 7.5k members.



Engage and Involve

Our Freshers events in September 2020 and January 2021 had the highest-ever levels of engagement from new students, with 89 different sessions across a huge array of topics. Student feedback speaks to the success of the events:

“I found the sessions I went to very informative. The range of things available to access was varied and diverse which I think attracted a wide range of people”

“I really got a sense of belonging by attending Freshers fortnight. Thank you so much for all your hard work”

“I found it very interesting and informative and it boosted my confidence in meeting new people”



Engage and Involve

- Our volunteer base has seen some changes during the year, with some roles being paused or altered due to the ongoing pandemic. However, our numbers are up again by 24%.
- The nature of all events and services moving online has opened up volunteering in some categories to new student audiences, not least international students and we're seeing an exciting significant increase in the percentage of volunteering applications from new students.
- We introduced a new micro-volunteering opportunity, which has been hugely popular with students with a pool of around 75 students.



Engage and Involve

A volunteer recognition event was held online in July 2021, to celebrate our community of amazing volunteers.

Feedback included:

“Thank you for hosting a lovely event. It was really nice to be recognised”

“Thank you to all the OU Students Association staff for everything you do for us. Without you, we wouldn't be able to volunteer”

“It was really heart-warming!”

“A first class substitute for a face to face gathering”



Engage and Involve

- We are very pleased that our 'test and learn' proposal for a student community mobile App was approved and we look forward to reporting on progress with this in next year's report.
- The EDI Conference mentioned in the previous section was a real highlight of the year for many volunteers, reps and staff.
- The President has been doing a popular weekly blog on what she and the rest of the student representative team have been doing on behalf of their fellow students.

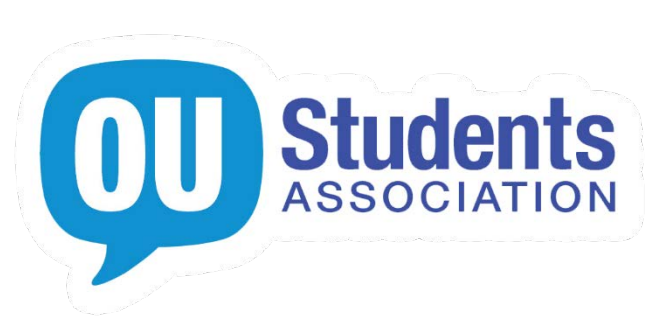


Influence and Transform



Influence and Transform

- Student Voice week in 2020 was a significant moment of the year. This was delivered fully online for the first time, with the delivery group chaired by one of our student representatives in partnership with the PVC-Students team. It engaged over 800 students and delivered over 50 events.
- The learning from this event has been put into the plans for Student Voice Week 2021 which we look forward to telling you more about in next year's report. This includes a focus around EDI insights and deep listening exercises, as championed by another of our student representatives.



Influence and Transform

- In November 2020, we introduced our full Annual Membership Survey following the smaller-scale pilot earlier in the year.
- The results were very positive, and fed in to a number of our strategy projects over the course of the year as a significant development in helping us in the future to be more aware of feedback from our members.
- We heard from a number of students that we do not previously hear from, including a greater number of younger students.
- At the time of writing, our 2021 survey has already exceeded the response rate of 2020 with several weeks left to run!



Influence and Transform

Some comments from participants about the importance of the Association and what we offer included:

“I feel that belonging to an association is a great idea, it creates team spirit, extra curricular interests, boosts your CV and also give students a purpose and a feeling of belonging, not to mention it’s a good way to meet new people, and fill up free time and just try new fun things.”

“...offers students an inclusive community and the chance to socialise and share experiences otherwise not available to us as distance learners.”

“I don't have a lot of time but I do really appreciate that the student community exists.”



Influence and Transform

The feedback also highlighted some areas that we're seeking to address, which would encourage people to get more involved:

"Seeing more people that look like me, women in hijabs, people of colour and black people."

"The [Association] doesn't really seem relevant to postgraduate [research] students."

"Possibly a network of study related meet ups or fitness clubs."

"I would like to see more info posted within my module forums."

"It would be great to see more roles that don't require too much time each week."



Influence and Transform

- As part of our focus on Policy and Public Affairs, and as a follow up to our completed stakeholder mapping project, we produced manifestos for the elections in Wales and Scotland. This had three aims:
 - Influencing policy making to include issues that impact on part-time and distance learning students, who are often excluded from policy decisions
 - Raising the general profile of the Association in this space
 - Increasing our members' awareness about our activities and strategic aims
- The manifestos were produced with our student representatives from the respective nations. They were sent to c.450 Scottish Parliament and c.260 Welsh Senedd candidates.



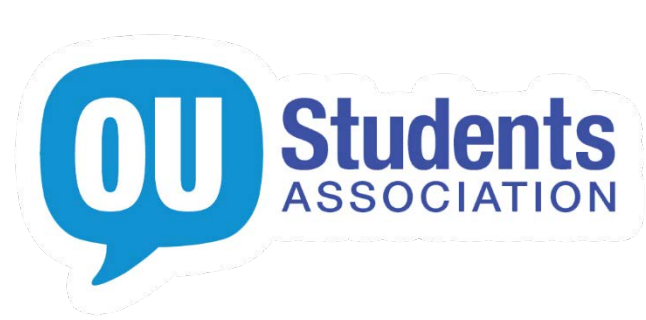
Influence and Transform

- We also created launch videos, campaign pages on our website and a tool that enabled students to email our manifesto to their local candidate with a message asking them to support our policy requests. A number of students made use of this tool. We followed this up with direct emails to all successful candidates.
- This led to a great level of engagement from candidates and the successfully elected politicians in both Wales and Scotland. Many responded with personal stories and affection for the Open University and the challenges faced by our students.
- Throughout this process, we were supported by the policy teams in the Nation offices who worked in true partnership to support us with our ambitions. We would like to take this opportunity to highlight this support to Council and our thanks go to the Nation Directors and their teams.



Influence and Transform

- In late 2020, significant work was carried out to draft and agree a Memorandum of Understanding (MoU) to establish an agreed approach to partnership working between the OU Students Association, Athabasca University Students' Union (AUSU), and Athabasca University Graduate Students' Association (AUGSA).
- The agreement was signed by all parties in early 2021 and we have identified areas where there is shared interest in working together:
 - helping each other to objectively review election processes
 - partnering in research activity to benchmark key performance areas of the organisations
 - more general sharing best practice and helping student leaders learn from each other and develop their knowledge, skills, and networks.



Influence and Transform

- Our student representatives have contributed to a number of senior recruitment efforts across the University, including supporting and championing diversity and representation.
- We're also excited to see the work that is going on around the Race Equality Charter and associated issues in tackling the degree awarding gap, which our reps have been playing an active role in supporting.
- We've also been very pleased to be a part of the planning for the Safe Space Reporting tool, and championing the feedback and experience from OU students who had previously experienced real difficulties in putting forward their complaints.



Influence and Transform

- One of our student representatives has championed and secured the opportunity for student observers to attend Faculty Assembly meetings in FBL, which has now been made a permanent fixture. This has also been successful for our recruitment efforts, with two recent observers going on to apply and be appointed as Central Committee Representatives.
- In addition, a student representative led on facilitating and organising student involvement in the recent Business School triple re-accreditation process and participated in a recent validation visit.



Influence and Transform

- Our President has championed and supported real change across the University community this year. This has included:
 - Overhaul of the Student Charter in partnership with the PVC-Students team;
 - Supporting and recognising efforts across the OU to resolve the Alternative Format issues and act on student feedback presented by our representatives;
 - Supporting the pandemic response planning work;
 - Working with PVC-Students to ensure student feed-in to papers for VCE;
 - Regular (and very much appreciated) meetings with the Vice Chancellor;
 - Championing the new Dignity and Respect policy and work on Digital Inclusion;
 - Pushing for greater diversity and representation across the University and the Association, including championing the need to ensure pro-nouns are included in email signatures and other communications alongside other student representatives.



Influence and Transform

- Within the Association, the President has also championed:
 - The planning of celebrations for the Association's 50th Anniversary in 2022 (plenty more on that soon!)
 - Regular blogging to keep our members informed on what their representatives are doing on their behalf
 - A major and comprehensive external governance review, to build on the outcome of the 2020 culture review
 - Our work to develop our external voice, including in the policy arena and in the burgeoning partnership with Athabasca.



Governance Review



Governance review

- As a follow up to our external Culture Review, which reported to our Trustees in February 2020, over the course of this year we commissioned and discussed the recommendations from a comprehensive external Governance Review.
- The full report, and our response to it, was [published](#) to all members on our website in August 2021.
- Our student leaders, Trustees and staff team have put into action an implementation plan to take forward the recommendations into delivery. We are at the midpoint of that process at the time of writing, with exciting changes being progressed.



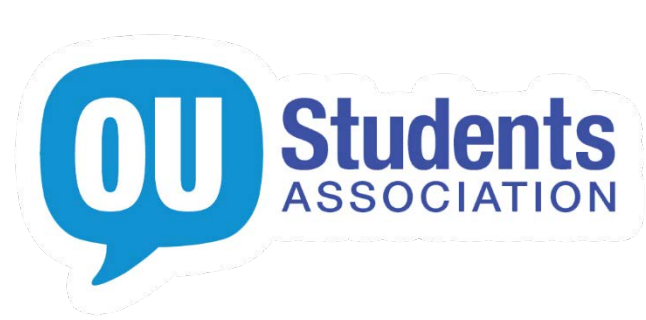
Governance review

- All proposals are subject to the vote of our members at our Conference in January 2022.
- The proposals would see our current Central Executive Committee replaced by a smaller Student Leadership Team, supported by a larger, more agile and more representative Student Forum.
- It is further proposed that our biennial Conference be replaced by a more usual Annual General Meeting, held fully online.
- Finally it is proposed that the Student Leadership Team be held to account by a Scrutiny Group, with representative from student members and a potentially a representative from the University.



Governance review

- The structural changes require alterations to our Articles, which will be presented to Conference for approval.
- Once we have the verdict of our members on the proposed changes, a revised set of our Articles will be presented to Council members for consideration and ratification as per the usual process.
- We understand that this will be handled via a meeting by correspondence in January/February 2022 to allow the Association to run our elections for the new positions and the new structures, again all subject to approval via the process outlined above, will come into effect on 1 August 2022 for the new elected group.

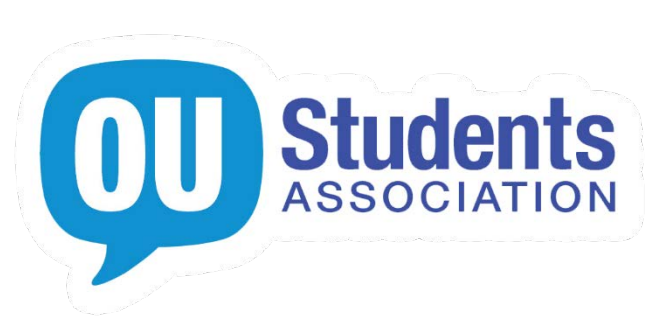


Governance review

- As part of the recommendations from our Culture Review and our Governance Review, we have reviewed and sought expert advice to improve all of our policies relating to behaviour and complaints.
- This review has enabled us to improve our processes as well as looking to invest in staff and volunteer training to ensure that we are equipped to respond appropriately to current challenges as laid out in the reports from both reviews, together with the surge in poor behaviour online during the pandemic.
- The changes that we seek to implement are therefore not just structural but cultural, which will take time to embed.



Plans for 2021-22



Plans for 2021-22

- 2022 is our 50th Anniversary and exciting plans are underway for a year of celebrations spearheaded by our President, Sarah Jones. This will commence at our Conference, which will be held online in January 2022.
- The proposals for change emerging from our Governance Review work presented in the previous section will be put to the vote at our Conference. If they are approved by our members, the changes to our student leadership and representation structures will come into effect for the new elected term which commences on 1 August 2022.



Plans for 2021-22

- We will be taking forward the opportunity we have secured to send publicity materials out with module materials for new students.
- We will be running our pilot of our new student advice (individual representation) service, which is due to run through to October 2022.
- Our EDI Working Group will be developing an enabling strategy to take our EDI work even further forward.
- We will be trialling new ways of working as part of the recovery from Covid.



Plans for 2021-22

- On 12th November 2021 we will hold the first meeting of the 'International Distance Learning Student Forum' (IDLSF), which will be a quarterly meeting for distance-learning student leaders (and staff from their organisations) from the OU Students Association and our partners at Athabasca University Students Union and Graduate Students Association (Canada) to come together and discuss a designated topic, build connections, share best practice and identify areas for future partnership working. The meeting will involve a presentation from each organisation on the topic of community building, followed by a Q&A/discussion. The chairing of the meeting will rotate between the partners each time.



Plans for 2021-22

- We will be continuing to take forward our work on policy and public affairs.
- We will be taking forward our remaining strategy projects and carrying out a refresh as we look ahead to the future.
- We will also be supporting the University with the development of the new University Strategy.

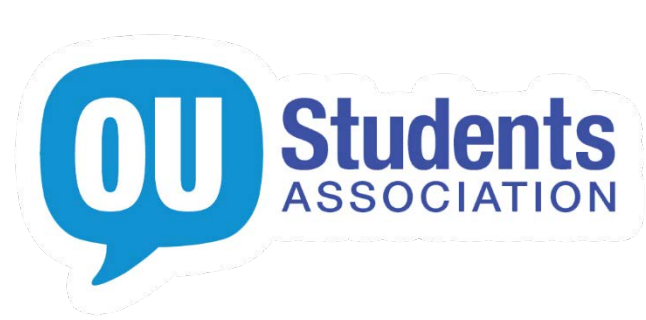


Compliance Statement 2020-21



Compliance statement 2020-21

- In order to comply with the requirements of Section 22 of the Education Act 1994, the Council must satisfy itself on certain matters relating to the conduct of our affairs.
- All elections to the Board of Trustees and Central Executive Committee during the year were conducted fairly and in accordance with our procedures as laid down in the Articles, Bye-laws and election rules. All elections were externally validated by Civica Election Services.



Compliance statement 2020-21

- Students who opt out of membership of the Association retain access to facilities and services, except that such students will not be able to participate in our decision making structures nor be eligible for appointment as student representatives on University Committees.
- We did not make any donations to external organisations.
- The amounts paid in affiliations to external organisations during the year were as follows:
 - London Nightline, services provided £13,300
 - National Council of Voluntary Organisations (NCVO) membership £458
 - Charity Finance Group (CFG) membership £373



**Thank you for reading our
annual report.**



**OU Students
Association**

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 [@OUstudents](https://twitter.com/OUstudents)

 fb.com/OUstudents

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THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)**C01NTENTS**

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THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2021

Trustees

A Blake, External Trustee and Chair
A Cameron, Student Trustee (appointed 1 August 2020, resigned 13 July 2021)
I Cheyne, Officer Trustee (appointed 1 August 2020)
S Hanley, Student Trustee (appointed 1 December 2020)
J James, Student Trustee (appointed 1 August 2020)
S Jones, Officer Trustee (appointed 1 August 2020)
A Lane, External Trustee (resigned 19 March 2021)
J Paisley, Student Trustee
M Porterfield, Officer Trustee (appointed 1 August 2020)
M Price, External Trustee
B Tarling, Student Trustee (appointed 1 August 2020, resigned 7 January 2021)
C Wallace, Student Trustee

Company registered number

12031028

Charity registered numbers

1183837 and SC049546

Registered office

PO BOX397
Walton Hall
Milton Keynes
Buckinghamshire
MK76BE

Company secretary

Alison Lunn

Chief executive officer

Rob Avann

Independent auditor

James Cowper Kreston
Chartered Accountants and Statutory Auditor
2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX29GG

Bankers

National Westminster Bank PLC
501 Silbury Boulevard
Milton Keynes

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Solicitors

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

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2021

The Trustees present their annual report together with the audited financial statements for the 1 August 2020 to 31 July 2021. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and consolidated financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the Company qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

Summary of objectives

The Association's purpose is the advancement of education of students at The Open University for the public benefit. Our charitable objects are:

- Defending the principles of equal opportunity and of open access to the University regardless of academic qualifications or financial circumstances
- Promoting the interests and welfare of students and representing and supporting them during their studies
- Acting as the recognised, representative channel between OU students, the University and external bodies
- Asserting the right of all students to be heard and acknowledged by the University
- Providing social, cultural and recreational activities for the personal development of OU students.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

Aims

Our primary aims, in line with our charitable objects, are to defend the principles of equal opportunity and open access to OU study and to improve the quality of the student experience for all those who study with The Open University. We believe that Open University students have a unique and distinct contribution to make toward the development of the University and its ability to fully meet the aspirations of its students. We work to represent the student voice through both the University's formal governance structures and through partnership working with University staff across the breadth of University services that impact on the quality of the student experience. We also believe that students can provide excellent peer support both in direct relation to the study goals of individual students and in facilitating the development of a vibrant student community.

Central to our aims, objectives and activities is our work to help the University further its mission to be open to people, and in particular to offer the prospect of higher education to those members of the public who may otherwise be among the least likely to have that opportunity. We have our own commitment to work to ensure access to OU study for the widest possible spectrum of the public and further to work to ensure that all those who register as students have the necessary support to enable them to succeed.

THE OPEN UNIVERSITY STUDENTS ASSOCIATION

(A company limited by guarantee)

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

Objectives and activities (continued)

Main objectives for the year

We are immensely proud of our staff, our volunteers, and our brilliant OU community for rising to the challenges presented by the ongoing pandemic, adapting and evolving as we worked together to migrate all of our face-to-face activities online. We have also forged ahead with our strategic plan, making significant progress towards our goals.

During 2020-21, our online activities have grown and developed further to provide a wider variety and a greater number of opportunities for students to connect with each other online. Our Student Community team has facilitated over 100 online events including wellbeing sessions, bingo, coffee mornings, book groups, film nights and quizzes, as well as training student volunteers to facilitate sessions, using a variety of online platforms efficiently and safely.

We are also proud of how our societies have embedded new ways of working and we have supported them with funding for new websites, with their financial accounts and with training for their volunteers. The number of Clubs we support has also increased significantly in the last year and there are now 75 clubs offering opportunities for students who share similar interests and hobbies to come together. The number of students registered with Clubs and Societies has increased during the year, as has membership of the Black and Minority Ethnic (BAME), Disabled Students Group (DSG) and OU Pride Student Groups.

We saw a significant increase in student numbers participating in our two Freshers Fortnights, feedback from which highlighted how valuable these are to students both those embarking on study with the OU for the first time and those returning to study after a break. One student commented:

"I found the sessions I went to very informative. The range of things available to access was varied and diverse which I think attracted a wide range of people. Doing Freshers this week has made me realise, as a new student to Open University (starting Feb 2021), that the social aspect at the Open University of students is vast - I thought learning with the OU would be quite isolating but actually the social aspect took me by surprise and it almost feels a closer community than that of a red brick uni".

A further highlight of the year was working with our fantastic University Challenge team. They were great ambassadors for OU students and they were watched by nearly three million people on BBC2.

Directors of our trading subsidiary, OUSA (Services) Limited, in conjunction with the Association's Trustees took the difficult decision at the end of last year to cease trading as a separate entity. The trading restrictions associated with the first pandemic lockdown had compounded an already challenging financial position for the subsidiary. A streamlined trading activity has however continued within the Association, with its performance being monitored by a newly established working group.

This is however another highlight of the year as despite all trading being online, the financial results have exceeded expectations, achieving a small profit after covering all associated operating costs as well as contributing to Association overheads that have supported the operation.

OU Students, their friends and families clearly have a strong appetite for OU branded merchandise, contributing to a student's sense of belonging to their University as well as helping them to mark and celebrate their achievements throughout their student journey.

Following a review of our culture in 2019/20, we have taken forward an external review of our governance, engaging a reputable consultancy service to provide an impartial assessment and recommendations for improvement. Trustees, having approved the implementation plan at their meeting in July, will now consult with stakeholders on the finer details of a governance structure that aims to streamline decision making and embed our values and expectations amongst all volunteers and staff.

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Objectives and activities (continued)

The working group set up to progress our equality, diversity and inclusion (EDI) agenda is making progress across the pledges made following our Black Lives Matter statement. The statement, which can be viewed at www.oustudents.com/our-statement-on-black-lives-matter, explains our commitment to call out and take action against racism, prejudice and any form of discrimination within our organisation or on any of our managed platforms; to review our representation channels and improve our representation of Black students. The statement has therefore informed the Association's EDI action plan. Highlights of this group's work includes running consultations with Black students (a separate consultation with Asian students is about to be launched) to enable us to better understand barriers to engagement and how we might better support and represent these students. With help from colleagues, we have also introduced Equality Impact Assessments into event planning and policy making.

We held our first EDI conference in May. The aim of the Conference was to better equip our volunteers to support a diverse range of students, ensuring the Association is a place for all OU students. The Conference ran for two afternoons with the first covering presentations from experts discussing the importance of pronouns, the importance of considering accessibility and also the degree awarding gap at the OU. The second afternoon was designed as a workshop and Q&A panel based on the learning the volunteers were exposed to the previous afternoon. From the anonymous pledges delegates were encouraged to post during the Conference, it was clear that the event had raised consciousness of the issues and left volunteers with some clear actions they could put in place to help ensure our members with protected characteristics feel included in and represented by their Students Association. We intend to build on the success of this event, holding further events, including training workshops for volunteers and students throughout the year.

Ahead of the local elections in May 2021, we developed and published Scottish and Welsh manifestos sharing these with c.450 Scottish Parliament candidates and c.260 Welsh Senedd Election candidates, respectively. We also created a mechanism via which students in Wales and Scotland could email these to their local and regional candidates, encouraging them to put the distance learning agenda at the heart of their campaigns.

We are always keen to learn from and share best practice and experiences with other similar organisations. Our Policy and Public Affairs Manager, supported by our President and Chief Executive, has identified other providers who may be interested in forming an international network of distance learning student organisations. With our Canadian peers, Athabasca University Students' Union and Athabasca University Graduate Students' Union, a major provider of distance education, significant progress has been made with the signing of a Memorandum of Understanding between the parties with the intention of working in partnership to bring together organisations with a shared interest and an intention to explore how a formal international network might work in practice.

Another key focus this year has been preparing to launch a pilot individual representation service, which will support students subject to the University's academic complaints and disciplinary processes. The service went live on 9 August. We are grateful to the University for supporting this 18 month pilot running to the end of October 2022 by providing fixed term funding for a caseworker and working together with us in partnership to ensure a smooth and successful implementation.

All of this and more has been achieved in a year like no other, with all staff and volunteers required to work remotely since March 2020, adhering to national and University restrictions due to the Covid 19 pandemic. Whilst Trustees and Senior Managers have placed greater importance and allocated increased resource to supporting wellbeing and equipping staff for homeworking, we are immensely proud of how all of our people have come together to support each other and for the display of remarkable resilience in continuing to deliver throughout.

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Objectives and activities (continued)

Strategy for Achieving Main Objectives

As detailed above, we are now at the end of the second year of our four year strategic plan to 2022/23 and this is available in full on our website. We also publish the performance management information and updates on implementation as part of our papers to our Central Executive Committee, alongside the minutes of the Board of Trustees where performance and implementation is kept under review.

A mid-point review of our strategic plan will be undertaken early in 2021-22.

Significant Activities

A comprehensive summary of our major activities and achievements during the year can be found in our Annual Report to the Open University's Council, which can be viewed on our website www.oustudents.com under the heading 'OU Students Association report to OU Council'.

Volunteers

We are proud to be an organisation for students, led by students. Our student volunteers range in their roles, responsibilities, time commitment and duration but they are all a fundamental part of our achievements and make a major contribution to all that we do. We pay reasonable expenses to volunteers to enable them to fulfil their roles.

We have seen a significant year on year growth in the number of active volunteers due to improvements made to the recruitment process and the introduction of flexible micro volunteering opportunities. These have enabled those who may not have volunteered before to get involved in one-off or short term tasks, projects or events. In the 3 months to May 2021, there were 343 active volunteers, compared with 242 in the 3 months to May 2020. Of the 162 applicants for roles in the 3 months to May 2021, 89% were volunteering for the first time.

The President and Deputy President were employees of the Association during the year. However, they are not paid for their duties as Trustees and continue to perform Trustee duties on a voluntary basis.

We are incredibly proud to hold the Investing in Volunteers quality standard. This recognises our commitment to induction, ongoing training and support for our volunteers as well as the high level of enrichment this provides for students who choose to take up volunteering opportunities.

We were pleased to hold an online event in July 2021 to recognise and celebrate the invaluable contribution all of our volunteers make to achieving our mission "To make a positive difference for all OU students".

Achievements and performance

Charitable Activities

We are proud to be a key part of the Open University community and we focus most of our endeavours on activities that can best be summarised as building a vibrant student community and representing the student voice, which forms the basis of our mission statement.

This benefits our student members during their journeys as students of the University and in turn, our volunteers positively improve the experiences of their peers and those that will follow them through the University in subsequent years.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Achievements and performance (continued)

There is also a considerable amount of personal and professional development that all of our student volunteers gain from their involvement in our work, which will benefit them in their future lives and their own communities as a significant public benefit.

We are proud defenders of the original mission of the Open University to be open to people, places, methods and ideas.

Factors relevant to the achievement of our objectives

The OU Students Association is heavily reliant on the willingness of student volunteers to give their time and commitment to the organisation and in turn, we have to focus our efforts to attract, train and retain students willing and able to make a significant contribution to our work. We expect that this requirement may become significantly more challenging as the higher education sector and our student population continues to evolve.

We endeavour to maintain a healthy and constructive working relationship with the University and with other external organisations that share similar priorities and objectives. We are proud members of both the National Council of Voluntary Organisations (NCVO) and the Charity Finance Group (CFG). From June 2021, we have also subscribed to a political monitoring service, provided by DeHavilland. This supports our policy and public affairs agenda by alerting us to the latest political developments that may directly impact the higher education sector and/or distance learning.

We are not members of the National Union of Students (NUS), but we do try to maintain a relationship and dialogue with their leadership on matters of mutual interest.

Financial review

Principal Funding Source

The Open University is the main source of funding for the charity, by way of a subvention which is negotiated on an annual basis. The process of agreeing the subvention is set out in the OU-OU Students Association Relationship Agreement. The financial statements are provided to the University and are considered by the University's Finance Committee and governing Council.

Financial Review

The Charity's total income for the year was £2,110,161 (2020: £2,109,128) with a total expenditure of £1,610,835 (2020: £1,507,931) for the year. Income has therefore exceeded expenditure by £499,326 (2020: net income of £601,197). But for the exceptional credit in 2019-20, relating to the pension deficit recovery provision (see Note 11), expenditure in 2020-21 would have been significantly below the prior year total. This is because, due to Covid 19, all activity remained online for the duration of 2020-21.

Our 2020-21 budget plan assumed that from January 2021, pre-Covid activity would resume. However, all meetings were conducted and student services provided remotely throughout the year due to on-going pandemic restrictions and so this resulted in an in-year surplus that exceeded expectations.

The savings generated by moving activity online, with great success in terms of increasing awareness, student engagement in Association activities and widening the reach of the opportunities we provide, will be reallocated to continue to drive our strategic plan forward, to reform our governance structure and processes, to deliver Conference, as well as provide some specific activities and/or events to celebrate what will be the Association's 50th anniversary.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Reserves Policy

Trustees review their reserves policy annually and monitor, throughout the year as part of the financial reporting processes, the level of unrestricted funds that are freely available to spend on any of the Association's charitable purposes.

The aim of the policy is to ensure that charitable funds are spent on charitable purposes within a reasonable period of receipt, whilst ensuring the level of reserves is sufficient to safeguard financial stability in the event of a significant adverse effect on income or material unexpected expenditure.

Unrestricted funds are defined as the surplus remaining of the Association's income, comprising donations without restrictions (including the University block grant) or self-generated (including trading income, TOTUM card commission, charges for services), after accounting for all associated expenditure. They exclude funds that could only be realised by disposing of fixed assets.

Designated funds are part of unrestricted funds which trustees have earmarked for a particular project or purpose, without restricting or committing the funds legally. The designation may be cancelled by the trustees if they later decide that the Association should not proceed or continue with the purpose or project for which funds were designated.

Trustees have agreed that the minimum level of unrestricted reserves should be three months of core operating costs, and that the target level be set at six months of operating costs. For 2021/22, the minimum level for the unrestricted reserve is £466,000.

As at 31 July 2021, the group's total unrestricted fund is £1,071,961 after setting off the provision for pension deficit recovery (see note 17 and 23), as well as the net book value of fixed assets recorded at 31 July 2021, being £4,814 (see note 13).

Funds freely available are £828,961, after designation of a total of £243,000 earmarked for the 2022 Conference and Association 50th Anniversary activities, to fund implementation of the recommendations arising from the Governance Review and to fund other fixed term costs to support progression of our strategic objectives.

In determining an appropriate level of reserve, the Association has considered the following factors:

- The Association's critical core services for students.
- The level of risk in depending on the University for a continued core grant level of around £1.9m, increased annually to at least cover inflationary pressures.
- Flexibility to allow the Association to take advantage of strategic development opportunities and plan for future growth.
- Uncertainty over potential liabilities in respect of our participation in the Universities Superannuation Scheme and future increases in the rate of employer contributions.
- The level of risk from our other income sources. In particular commission earned on the sale of the NUS TOTUM card continues to decline, partly affected by the pandemic, but also free discount options offered by competitors.
- The level of risk of unforeseen operating costs.
- Provision for the costs of closure in the event of institutional failure.

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Material Investments Policy

The Association's funding needs are largely met by subvention funding negotiated with the University on an annual basis. Therefore, we do not rely on a return on reserves to fund our operations.

Surplus funds are currently deposited in an instant access deposit account with NatWest, earning negligible interest.

With the rate of inflation exceeding bank interest earned, the real value of our reserves is declining. Trustees therefore established a working group to review our investment policy. After considering the working group's proposals, we agreed the following objectives:

- The Open University Students Association seeks to produce the best financial return that can be generated from low risk investments.
- The bulk of funds will be held as cash/cash equivalents, to ensure sufficient funds are readily available to meet unanticipated cashflow requirements.
- If supported by cashflow forecasts, the Association may invest in longer term deposits or funds offering a higher yield, with the aim of generating a return in excess of inflation, over the longer term, to preserve the overall value of the asset.

The Board of Trustees' Investment Working Group will research available options, referring any recommendations to the Board.

We will always ensure that any investment decisions are consistent with the Association's mission, vision and values and support the furtherance of our charitable objectives and strategic aims.

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.

The Association's funding is not impacted by the pandemic and the University has confirmed an allocation for 2021-22 in line with the grant awarded in 2020-21.

The Association's revenue earned from merchandising (currently via its online store) has more than covered its direct costs, contributing to the Association's overheads. With the resumption of graduation ceremonies planned from Spring 2022, revenue is expected to increase in the next 12 months.

Structure, governance and management

Constitution

The Open University Students Association is registered as a charitable company limited by guarantee, registered with Companies House (12031028), with the Charity Commission (England & Wales), (1183837) and with the Office of the Scottish Charity Regulator (OSCR), (SC049546).

Nature of Governing Document

We are a student union within the meaning of the 1994 Education Act and are therefore subject to the provisions of that legislation as well as to the requirements of company law and our charitable registration. We are a charitable company limited by guarantee and are therefore governed by our Articles of Association, below which a set of Bye Laws detail much of the day to day operation of the charity. Our governing documents are publicly available on our website www.oustudents.com.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Structure, governance and management (continued)

Method of Appointment or Election of Trustees

During the year there were 12 places on the OU Students Association Board of Trustees.

The majority of the places (9 of the 12) are reserved for current OU students who are elected to the Board. The full composition is as follows:

Three are ex officio student members by virtue of their election to the Association Officer roles of President, Deputy President and Vice President Administration. These are known as Officer Trustees.

There are 6 additional Student Trustees, who stand for election directly to the Board of Trustees.

The final 3 places are for External Trustees who are directly recruited via external advertisement to add certain skills or experience to the Board from their professional backgrounds. The Board audits the skills required and these are sought through the open recruitment process. Applicants are interviewed by existing Trustees with the support of the Chief Executive before preferred candidates are recommended to the rest of the Board and our Central Executive Committee for appointment via a 75% majority vote. External Trustees must not be members of the Association, nor hold any elected or paid position within it; neither shall such external Trustees hold any position, paid or unpaid, within the Open University.

An External Trustee currently serves as the Chair of the Board, with our President serving as the Deputy Chair.

We currently have 1 External Trustee vacancy and 2 vacancies for Student Trustees which have become vacant during the year. A recruitment exercise for a new External Trustee is due to take place in Autumn 2021.

The OU Students Association operates terms of two years for elected posts. The year to 31 July 2021 was the first year of the current term.

Elections for the Officer Trustee and Student Trustee positions for the 2022 to 2024 term are due to take place in February/March 2022 with the newly elected representatives taking office on 1 August 2022 for their two-year term.

All Trustees are limited to serving a maximum of 8 years in total, in line with the guidance in the Charity Governance Code.

Policies adopted for the induction and training of Trustees

Following election or appointment all Trustees participate in a comprehensive induction process which includes a 1-2-1 with the Chair of the Board; a meeting with our Chief Executive to cover the wider organisation, charitable objects, requirements of the Articles and sector good practice; a session with our strategy lead covering the organisational strategy, KPIs and strategic projects; and finally a session with our Head of Finance and Resources covering the organisation's finances and reserves. In addition to this initial induction, we also arrange for briefing sessions to be delivered for Trustees from our external auditors and legal advisors.

We normally arrange for new Trustees to observe a meeting before joining the Board, where possible. All Trustees are provided with copies of the Articles, the Bye-laws, Charity Commission guidance and the Charity Governance Code.

In addition, Trustees are able and encouraged to make use of the National Council of Voluntary Organisations (NCVO)'s online training packages and events in addition to further resources from the Charity Finance Group. We are members of both organisations.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021**

Structure, governance and management (continued)

Pay policy for senior staff

The OU Students Association has adopted the Open University's salary grades and annual pay review policies. All roles within the staff team are graded using the benchmarks provided by the Higher Education Roles Analysis (HERA) scheme. There are significant advantages in using a nationally negotiated scheme, which provides benchmarking across the sector and provides staff of both the University and the Students Association with a straightforward comparison of roles and responsibilities.

In setting the salary grades of the senior management roles the Trustees consider the objects and values of the OU Students Association, the local employment market, the appropriate salaries required to attract and retain suitably skilled staff, average pay levels of equivalent staff in other Student Unions and similar charities, the proportionate level of the salaries relative to other grades within the staff team, affordability and sustainability of the charity and whether the pay level is appropriate.

The Students Association also took these factors into account when setting the salary level to be paid to the President and Deputy President roles.

During the year, there were six roles deemed to be the key management personnel of the OU Students Association: The Chair of the Board of Trustees (unpaid), the President and Deputy President from the elected student leadership team, and the Senior Leadership Team comprised of the Chief Executive and two Deputy Chief Executives until April 2021, and then the Chief Executive, Director of Engagement and Director of Membership Services from April 2021, following a re-structuring.

The sum of the salaries (inclusive of employer national insurance and pension contributions) relating to these five roles in the period was £250,627 (2020 £249,598).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Structure, governance and management (continued)

Organisational Structure and Decision Making

The Board of Trustees are ultimately responsible for the governance of the Students Association including all matters relating to staffing, finance, governance and strategy.

However, in keeping with our peer organisations in the wider student movement we have not abandoned the principle of having a wider representation of student views in all key policy decisions and ensuring that we are under the democratic control of our membership.

Therefore, the Central Executive Committee is the key body for considering, debating and approving our policy and it features representation from across our regions and nations, across the University's Faculties, our post holders with specific responsibilities for a set portfolio (the Association's Officers) and our student member of the Open University's governing Council.

All decision making in the Students Association is subject to record and scrutiny. Our Central Executive Committee and the Board of Trustees are required to publish their minutes to the membership. The Central Executive Committee also publishes in advance all papers being considered at each of their meetings so that members can access these and feed into the discussions. Exceptions are made for genuinely confidential or sensitive matters, in both the minutes and the publishing of papers.

The Board of Trustees delegates responsibility for the day to day management of the organisation to the staff team under the direction of the Chief Executive. Such delegation includes the management of staffing and financial matters within the parameters agreed by the Trustees.

We invite observers from the Central Executive Committee to observe Trustee meetings and observers from the Board of Trustees to observe Central Executive Committee meetings. This has been well received and useful for all involved.

In addition, the Chair of the Board also meets with both the Central Executive Committee and the staff team on a regular basis to keep in touch with their work and provide the opportunity for questions.

The Board of Trustees currently has two sub-committees: Remuneration and Appointments. It also has a Safeguarding Panel. Following our recent governance review, the Trustees will be adding a new Finance, Risk and Resources sub-committee as of late 2021 which will subsume the work of the current Remuneration Committee. The Appointments Committee and Safeguarding Panel are planned to continue.

Relationship to Wider Network of Students Unions

At present we are not formally affiliated to the National Union of Students (NUS), but we do enjoy a relationship which enables our organisations to collaborate where it is of mutual benefit. This allows our students to access the TOTUM card for discounted purchases. In addition, we maintain relationships with other Student Unions where appropriate and relevant, including for good practice visits and exchanging information

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Structure, governance and management (continued)

Related Party Transactions

The Open University Students Educational Trust, also known as OUSET, is a separately registered charity (285189/SC038300) with management and administration provided by the Association. It was set up by the Students Association in 1982 to advance the education of the public by providing financial support to Open University students who are disabled or in a condition of need, hardship or distress. Some of the trustees are appointed by virtue of the positions they hold, or used to hold, in the Open University Students Association. This includes two current Trustees and our Chief Executive who acts as a Trustee of OUSET. We work to raise funds for OUSET and also provide the necessary administrative support for it to operate in return for payment of a management charge. As a separate charity, OUSET has filed its own report and financial statements for the period.

We receive our operating funds in the form of a subvention from the Open University (OU) which is an exempt charity in England & Wales and a registered charity in Scotland SC038302. Under its Royal Charter the OU has a duty to make provision for an independent students' organisation and under the 1994 Education Act the OU has a statutory duty to ensure that the Students Association operates in a fair and democratic manner and is held to account for its finances. The Students Association therefore works alongside the University in ensuring that the affairs of the Students Association are properly conducted and that the educational and welfare needs of members are met. We provide an annual report to the University Council and our financial statements are scrutinised by the University's Finance Committee. A relationship agreement between the Students Association and the University is in place and reviewed on an annual basis.

For further information on transactions with these related parties during the year, please refer to note 24.

Risk Management

The Trustees are aware that they have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Risks are assessed in accordance with our policy and regularly reviewed.

Our risk register identifies the following principal risks:

- The ongoing impact of the Covid-19 pandemic and implications for new ways of working.
- Reliance on The Open University for our core funding presents a threat to fulfilling our strategic objectives.
- Further increases to employer pension contribution rates to the USS pension scheme being unaffordable.
- The balance sheet provision for deficit recovery contributions to the pension scheme reducing the reserve level below the minimum set by Trustees.
- Implications of political-legal changes.

We have mitigating actions in place, as far as possible, for these and all other risks recorded in our risk register. We continue to scan the horizon for other potential risks.

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Plans for future periods

2022 sees our 50th anniversary! The year will see celebrations and change across the Association to future-proof the organisation for the next stage of our journey.

The governance reforms will be the single largest area of change for the Association through the first half of 2021-22. Consultation with stakeholder groups on our proposed governance reforms is underway as of August 2021 to inform decisions, for example, on the size, the composition and the roles within each part of the proposed structure. Linked to our governance reforms and Trustees' decision to place a real focus on living the Association's values, our Culture Working Group has been refreshed and is starting work to develop and then embed new ways of working together that will support an enduring positive, kind and engaging culture.

The aim is to then present the resulting revisions to our governing documents (Articles of Association and Bye-Laws) to Conference in January 2022 for approval. Conference will again be online, building on the success of the 2020 Conference.

We will then be running the elections for the new JPOs and structures and then the induction and handover processes for the postholders who will take office as of 1 August 2022.

We will continue the implementation and delivery of our strategic plan, progressing projects currently underway, as well as embarking on other agreed projects. For example, now that we have established our Annual Membership Survey, one area of focus will be to create a process for an annual service and activity review. This will enable us to assess, on an ongoing basis, the effectiveness and impact of our work and enable informed decision making on resource allocation/prioritisation.

The work completed in 2020-21 on mapping the student journey from registration through to graduation, will now feed into our communications strategy to ensure our interactions meet student needs and expectations at the key stages of their study journey.

We will progress our work with the OU to further the Student Voice Action Plan, developing shared principles for best practice for student engagement in OU and Association activities, helping to improve outcomes for students and breaking down barriers to inclusion.

Having launched in August 2021 our pilot individual representation service, we will continue to promote this service, developing it as we gain experience of the types and level of support required and in response to feedback. We will be looking to ensure quality evaluation of this service with a view to potential continuation and mainstreaming into the future.

The EDI working group is currently working on a strategy to further focus our areas of work to ensure that the Association fulfils its goal to be a truly inclusive organisation.

We aim to further develop our work in Policy and Public Affairs and the potential international network.

Our Covid Recovery Working Group continues to meet regularly to review the latest government and University guidance to inform our own recovery planning. Our 2021-22 budget has been planned on the basis that much of our activity will remain online as we now know that this means we reach and engage more of our members, enriching the student experience for more OU students. We are also planning to trial a hybrid approach to working, with staff being partly office and partly home based, before making any firm decisions about our future ways of working. The wellbeing of our staff, volunteers and students remains our primary consideration in how and from where we decide to deliver our services going forward.

These are just a small selection of some of the projects we're seeking to progress. There are many more plans for the forthcoming year included at the rear of the Annual Report to the Open University's Council which can be accessed on our website at www.oustudents.com.

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Environmental Impact

The Open University Students Association is committed to working towards environmental sustainability. We are proud to support The Open University's approach to environmental sustainability and we are currently considering ways in which we can make a better contribution and engage with the wider climate crisis.

Environmental impact is a key consideration in planning our operations and activities post-pandemic.

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
{A company limited by guarantee}TRUSTEES' REPORT {CONTINUED}
FOR THE YEAR ENDED 31 JULY 2021**Statement of Trustees' responsibilities**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their 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 Group will continue in business.

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

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, James Cowper Kreston, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

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



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S Jones, Officer Trustee

Date: 13 October 2021

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OPEN UNIVERSITY STUDENTS ASSOCIATION

Opinion

We have audited the financial statements of The Open University Students Association (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2021 which comprise the Consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 July 2021 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, Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OPEN UNIVERSITY STUDENTS ASSOCIATION (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OPEN UNIVERSITY STUDENTS ASSOCIATION (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OPEN UNIVERSITY STUDENTS ASSOCIATION (CONTINUED)

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, and to the charitable company's trustees, as a body, 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Farwell MA FCA DChA (senior statutory auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park

Cumnor Hill

Oxford

Oxfordshire

OX2 9GG

Date: 14/10/2021

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	4	1,963,200	1,963,200	1,918,000
Charitable activities	5	77,678	77,678	110,546
Other trading activities	6	69,121	69,121	78,329
Investments	7	162	162	2,253
		<u>2,110,161</u>	<u>2,110,161</u>	<u>2,109,128</u>
Total income				
Expenditure on:				
Raising funds	8	61,868	61,868	81,002
Charitable activities		1,548,967	1,548,967	1,426,929
		<u>1,610,835</u>	<u>1,610,835</u>	<u>1,507,931</u>
Total expenditure				
		<u>499,326</u>	<u>499,326</u>	<u>601,197</u>
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward		577,449	577,449	(23,748)
Net movement in funds		499,326	499,326	601,197
		<u>1,076,775</u>	<u>1,076,775</u>	<u>577,449</u>
Total funds carried forward				

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

The notes on pages 25 to 41 form part of these financial statements.

THE OPEN UNIVERSITY STUDENTS ASSOCIATION

{A company limited by guarantee)
REGISTERED NUMBER: 12031028CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	4,814	7,709
		<u>4,814</u>	<u>7,709</u>
Current assets			
Stocks	14	18,007	25,240
Debtors	15	34,192	137,287
Cash at bank and in hand		1,502,483	1,029,564
		<u>1,554,682</u>	<u>1,192,091</u>
Creditors: amounts falling due within one year	16	{64,207}	(195,167)
		<u>1,490,475</u>	<u>996,924</u>
Net current assets		<u>1,490,475</u>	<u>996,924</u>
Total assets less current liabilities		<u>1,495,289</u>	<u>1,004,633</u>
USS pension scheme deficit recovery provision	23	{418,514}	(427,184)
		<u>1,076,775</u>	<u>577,449</u>
Total net assets		<u><u>1,076,775</u></u>	<u><u>577,449</u></u>
Charity funds			
Unrestricted funds			
Designated funds	18	243,000	161,000
General funds	18	833,775	416,449
		<u>1,076,775</u>	<u>577,449</u>
Total funds		<u><u>1,076,775</u></u>	<u><u>577,449</u></u>

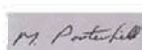
The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



Sarah Jones, - 13oct2021 09:58:51 BST (UTC +1)

S Jones, Officer Trustee



Matt Porterfield 13oct 2021 10:16:32 BST (UTC +1)

M Porterfield, Officer Trustee

Date: 13 October 2021

The notes on pages 25 to 41 form part of these financial statements.

THE OPEN UNIVERSITY STUDENTS ASSOCIATION

{A company limited by guarantee)
REGISTERED NUMBER: 12031028COMPANY BALANCE SHEET
AS AT 31 JULY 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	4,814	7,709
		<u>4,814</u>	<u>7,709</u>
Current assets			
Stocks	14	18,007	25,240
Debtors	15	34,192	137,287
Cash at bank and in hand		1,502,483	1,029,564
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		<u>1,076,775</u>	<u>577,449</u>
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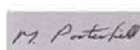
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Sarah Jones 13 Oct 2021 09:58:51 BST (UTC +1)

S Jones, Officer Trustee



Matt Porterfield 13 Oct 2021 10:18:32 BST (UTC +1)

M Porterfield, Officer Trustee

Date: 13 October 2021

The notes on pages 25 to 41 form part of these financial statements.

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	473,686	314,737
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of intangible assets	(767)	(3,391)
	<hr/>	<hr/>
Net cash used in investing activities	(767)	(3,391)
	<hr/>	<hr/>
Cash flows from financing activities		
Change in cash and cash equivalents in the year	472,919	311,346
Cash and cash equivalents at the beginning of the year	1,029,564	718,218
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	1,502,483	1,029,564
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 25 to 41 form part of these financial statements

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

1. General information

The Open University Students Association Limited is a charitable company limited by guarantee. It is registered in England and Wales with charity registered number 1183837 and in Scotland with charity registered number SC049546 and company registered number 12031028.

The principal activity of the charity is running a students' association for students within the Open University.

2. Accounting policies

2.1 Company status

The charity is a company limited by guarantee. The company law members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per company law member of the charity. Student Members of the Association are not included in this liability.

2.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Open University Students Association 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.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

2.3 Income

Subvention 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.

Income from charitable activities comprises of management charges and NUS TOTUM card commission and is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably.

Income from other trading income activities represents income generated by the sale of merchandise.

Donated facilities are included at the value to the charitable company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

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 and depreciation are allocated directly on the basis of staff directly attributable to each activity.

Governance costs are audit, accountancy and Board of Trustee costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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.

2.5 Basis of consolidation

The financial statements consolidate the accounts of The Open University Students Association and its subsidiary undertaking OUSA (Services) Ltd. OUSA (Services) Ltd was dormant in the year to 31 July 2021 following the transfer of its activities to the Association on 31 July 2020, held no assets or liabilities and was dissolved on 28 September 2021.

2.6 Tangible fixed assets and depreciation

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

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

Depreciation is provided on the following bases:

Fixtures and fittings	- 20% straight line
Computer equipment	- 20% and 33% straight line
Display boards	- 20% straight line

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.8 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.

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

2 Accounting policies (continued)

2.9 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.

2.10 Liabilities

Liabilities and provisions 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.

2.11 Financial instruments

The Group 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.

2.12 Pensions

The institution participates in the Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the statement of financial activities represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a provision for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the statement of financial activities. See Note 23 for further details of the Universities Superannuation Scheme.

2.13 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 Group 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.

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FORTHEYEARENDED31JULY21

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions.:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Pension Commitments

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The trustees are satisfied that the scheme provided by Universities Superannuation Scheme meets the definition of a multi-employer scheme. The amounts due in respect of the deficit recovery plan relating to this scheme, as recommended by actuaries and subject to actuarial assumptions, are included within the balance sheet as a provision and this reflects the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

4. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Subvention income	1,821,700	1,821,700	1,762,000
Exam paper replacement income	71,000	71,000	89,000
Other grants	3,500	3,500	-
Donated services	67,000	67,000	67,000
Total 2021	1,963,200	1,963,200	1,918,000
Total 2020	1,918,000	1,918,000	

THE OPEN UNIVERSITY STUDENTS ASSOCIATION

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Management charges to The Open University Students' Educational Trust	42,507	42,507	44,741
NUS TOTUM Commission	35,158	35,158	65,805
Other Income	13	13	-
Total 2021	<u>77,678</u>	<u>77,678</u>	<u>110,546</u>
Total 2020	<u>110,546</u>	<u>110,546</u>	

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Sale of merchandise	69,121	69,121	78,329
Total 2020	<u>78,329</u>	<u>78,329</u>	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank deposit	162	162	2,253
Total 2020	<u>2,253</u>	<u>2,253</u>	

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 21

8. Expenditure on raising funds

Raising funds expenditure

	OU Shop 2021 £	Total funds 2021 £	Total funds 2020 £
Cost of Sales	30,042	30,042	45,844
Other	24,914	24,914	27,325
Staff costs	6,912	6,912	7,833
Total 2021	<u>61,868</u>	<u>61,868</u>	<u>81,002</u>
Total 2020	<u>81,002</u>	<u>81,002</u>	

9. Analysis of expenditure by activities

	Staff (direct and support) 2021 £	Other direct costs 2021 £	Other support costs 2021 £	Governance 2021 £	Total funds 2021 £	Total funds 2020 £
Student services and support	465,427	24,890	60,795	8,282	559,394	471,631
Student representation	339,133	16,002	38,390	5,230	398,754	420,429
Student community	273,538	3,741	33,181	4,520	314,980	233,890
Student volunteering	160,562	13,770	20,108	2,739	197,179	152,136
Culture project and governance reform	39,735	25,200	12,080	1,645	78,660	60,183
Recharged to OU shop	-	-	-	-	-	7,833
Conference	-	-	-	-	-	80,828
Total 2021	<u>1,278,395</u>	<u>83,602</u>	<u>164,554</u>	<u>22,416</u>	<u>1,548,967</u>	<u>1,426,929</u>

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

	Direct costs 2021 £	Governance 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	737,151	-	541,244	1,278,395	1,007,489
Central office costs	4,330	-	94,852	99,182	109,252
Professional services	37,137	-	44,379	81,516	132,929
Audit	-	22,416	-	22,416	24,450
Training and development	12,661	-	9,176	21,837	14,652
Subscriptions and affiliations	14,579	-	831	15,410	22,958
Printing and publicity	8,578	-	6,025	14,603	1,540
Other staff related costs	297	-	9,290	9,587	7,754
Events and activities	3,952	-	-	3,952	51,604
Grants to societies	1,215	-	-	1,215	2,035
Meeting costs	854	-	-	854	52,266
Total 2021	820,754	22,416	705,797	1,548,967	1,426,929
Total 2020	954,096	31,083	441,750	1,426,929	

Movements in the USS pension scheme deficit recovery scheme are shown within staff costs.

10. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	19,440	19,800
Fees payable to the Company's auditor in respect of:		
All taxation advisory services not included above	-	860
All non-audit services not included above	2,976	3,790

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FORTHEYEARENDED31JULY21

11. Staff costs

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Wages and salaries	1,021,633	1,053,017	1,021,633	1,053,017
Social security costs	91,150	97,865	91,150	97,865
Contribution to defined contribution pension schemes	184,312	181,140	184,312	181,140
USS pension scheme deficit recovery provision costs	(11,788)	(316,700)	(11,788)	(316,700)
	<u>1,285,307</u>	<u>1,015,322</u>	<u>1,285,307</u>	<u>1,015,322</u>

For more details on the defined benefit pension scheme provision costs see Notes 17 and 23.

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

	Group 2021	Group 2020
	No.	No.
Average employees	<u>36</u>	<u>34</u>

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

	Group 2021	Group 2020
	No.	No.
In the band £70,001 - £80,000	1	1

Key management personnel for the year ended 31 July 2021 consist of the Chair of Trustees and other Trustees who are all unpaid; plus the remunerated roles of the President, Deputy President and three Senior Managers. The Senior Management team comprised the Chief Executive and two Deputy Chief Executives up to April 2021 when, following restructuring, the two Deputy Chief Executive roles were replaced by the Director of Engagement and the Director of Membership Services. Total remuneration in respect of key management personnel for the year ended 31 July 2021 is £250,627 (2020: £249,598).

THE OPEN UNIVERSITY STUDENTS ASSOCIATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 21

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020: £nil) in relation to their role as a Trustee.

During the year, 2 Trustees received remuneration in respect of their role as President and Deputy President (2020: 2 Trustees). The value of Trustees' remuneration and other benefits was as follows:

		2021 £	2020 £
C Brown	Remuneration	-	23,629
S Stubbins	Remuneration	-	8,309
I Cheyne	Remuneration	15,824	-
S Jones	Remuneration	27,183	-

During the year ended 31 July 2021, expenses totalling £265 were reimbursed or paid directly to 5 Trustees (2020 - £17,612 to 10 Trustees).

13. Tangible fixed assets

Group and Company

	Office equipment £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation				
At 1 August 2020	13,276	25,848	31,403	70,527
Additions	-	767	-	767
Disposals	-	(1,685)	-	(1,685)
At 31 July 2021	13,276	24,930	31,403	69,609
Depreciation				
At 1 August 2020	10,016	21,399	31,403	62,818
Charge for the year	1,285	2,377	-	3,662
On disposals	-	(1,685)	-	(1,685)
At 31 July 2021	11,301	22,091	31,403	64,795
Net book value				
At 31 July 2021	1,975	2,839	-	4,814
At 31 July 2020	3,260	4,449	-	7,709

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14. Stocks

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Finished goods and goods for resale	18,007	25,240	18,007	25,240

15. Debtors

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Due within one year				
Trade debtors	6,721	7,620	6,721	7,620
Amounts owed by the Open University	18,335	120,245	18,335	120,245
Prepayments and accrued income	9,136	9,422	9,136	9,422
	34,192	137,287	34,192	137,287

16. Creditors: Amounts falling due within one year

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Trade creditors	8,372	13,324	8,372	13,324
Other taxation and social security	2,352	2,585	2,352	2,585
Other creditors	13,923	10,105	13,923	10,105
Accruals and deferred income	39,560	169,153	39,560	169,153
	64,207	195,167	64,207	195,167

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17. Provisions

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with USS to make deficit payments in accordance with the deficit recovery plan. The provision has been calculated by estimating future employer pension payments and applying the deficit recovery contributions. These were outlined in the USS deficit recovery plan arising from the March 2017 actuarial valuation, published in February 2018 and then amended by the March 2018 actuarial valuation, published in September 2019. The weighted average discount factor that has been applied over the remainder of the deficit recovery plan is 0.87% (2020: 0.73%).

More details on the 2018 actuarial valuation are set out in Note 23.

At 1 August 2020:	£427,184
Unwind of the finance charge:	£3,118
Contributions paid:	(£11,788)
At 31 July 2021:	£418,514

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18. Statement of funds

Statement of funds - current year

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2021 £
Unrestricted funds					
Designated funds					
Trustee projects	50,000	-	(6,720)	(13,280)	30,000
Conference and Association 50th	-	-	-	88,000	88,000
Strategy delivery	86,000	-	(55,805)	64,805	95,000
Culture and governance review	25,000	-	(25,200)	30,200	30,000
	<u>161,000</u>	<u>-</u>	<u>(87,725)</u>	<u>169,725</u>	<u>243,000</u>
General funds					
General funds	843,633	2,110,161	(1,531,780)	(169,725)	1,252,289
USS pension scheme deficit recovery provision	(427,184) ¹	-	8,670	-	(418,514)
	<u>416,449</u>	<u>2,110,161</u>	<u>(1,523,110)</u>	<u>(169,725)</u>	<u>833,775</u>
Total Unrestricted funds	<u><u>577,449</u></u>	<u><u>2,110,161</u></u>	<u><u>(1,610,835)</u></u>	<u><u>-</u></u>	<u><u>1,076,775</u></u>

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18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2020 £
Unrestricted funds					
Designated funds					
Strategic projects	-	-	-	50,000	50,000
Conference	106,500	-	(20,941)	(85,559)	-
Growth	65,000	-	(50,600)	71,600	86,000
Culture review	35,000	-	(26,947)	16,947	25,000
	<u>206,500</u>	<u>-</u>	<u>(98,488)</u>	<u>52,988</u>	<u>161,000</u>
General funds					
General funds	502,065	2,109,128	(1,714,572)	(52,988)	843,633
USS pension scheme deficit recovery provision	(732,313)1	-	305,129	-	(427,184)
	<u>(230,248)1</u>	<u>2,109,128</u>	<u>(1,409,443)</u>	<u>(52,988)</u>	<u>416,449</u>
Total Unrestricted funds	<u>(23,748)1</u>	<u>-</u>	<u>(1,507,931)</u>	<u>-</u>	<u>577,449</u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	4,814	4,814
Current assets	1,554,682	1,554,682
Creditors due within one year	(64,207)	(64,207)
Provisions for liabilities and charges	(418,514)	(418,514)
Total	1,076,775	1,076,775

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	7,709	7,709
Current assets	1,192,091	1,192,091
Creditors due within one year	(195,167)	(195,167)
Provisions for liabilities and charges	(427,184)	(427,184)
Total	577,449	577,449

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

	Group 2021 £	Group As restated 2020 £
Net income for the year (as per Statement of Financial Activities)	499,326	601,197
Adjustments for:		
Depreciation charges	3,662	10,921
Loss/(profit) on the sale of fixed assets	-	(539)
Decrease in stocks	7,233	17,172
Decrease in debtors	98,752	9,143
Decrease in creditors	(126,617)	(18,028)
Increase/(decrease) in defined benefit pension scheme	(8,670)	(305,129)
Net cash provided by operating activities	473,686	314,737

21. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	1,502,483	1,029,564
Total cash and cash equivalents	1,502,483	1,029,564

22. Analysis of changes in net debt

	At 1 August 2020 £	Cash flows £	At 31 July 2021 £
Cash at bank and in hand	1,029,564	472,919	1,502,483
	1,029,564	472,919	1,502,483

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23. Pension commitments

The charity participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which was contracted out of the State Second Pension (S2P) up to 5 April 2016. The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

The charity is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the statement of financial activities represents the contributions payable to the scheme in respect of the accounting period together with the adjustment reflecting its commitment to make payments under the deficit recovery plan as outlined later in this note.

The fund is invested in a wide range of asset classes, both publicly traded (including equities and fixed income) and private (including private equity, infrastructure, property and timberland). A diversified portfolio helps to spread investment risk across different asset classes and boost the level of confidence in maintaining sufficient investment returns from the funds as a whole.

USS actuarial valuation

The latest available complete actuarial valuation that is included in the Statement of Financial Position is as at 31 March 2018, which was carried out using the projected unit method. This is the fifth valuation for USS under the new scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The value of the assets of the scheme as at 31 March 2018 (the valuation date) was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a deficit of £3.6 billion and a funding level of 95%. A valuation at 31 March 2020 is underway but not yet complete.

The level of the scheme deficit has led to changes in the deficit recovery plan agreed after the 2017 valuation, and this in turn affects the provision shown in the financial statements.

	2017 Valuation	2018 Valuation
Entire USS Scheme		
Total Assets	£60.0 billion	£63.7 billion
Total Liabilities	£67.5 billion	£67.3 billion
Scheme Deficit	£7.5 billion	£3.6 billion
Funding level	89%	95%

The Open University Students Association's commitment to make payments under the deficit recovery plan has been modelled based on additional contribution rates along with an estimate of future staff costs, and a discount factor based on high-quality corporate bonds. The discount factor used to calculate the provision at 31 July 2021 was 0.87% (31 July 2020: 0.73%). The deficit recovery plan put in place as part of the 2018 valuation requires payment of 2% of salaries for the period 1 October 2019 to 30 September 2021 at which point the rate increases to 6%.

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The key financial assumptions used in the 2018 valuation are described below:

Valuation rate of interest (discount rate)

Years 1-10: CPI+ 0.14% reducing linearly to CPI - 0.73%

Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21

Years 21 +: CPI + 1.55%

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23. Pension commitments (continued)

Pension increases

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

Life expectancy at age 65 (currently aged 65)

Male: 24.6 years (2020: 24.4 years)

Female: 26.1 years (2020: 25.9 years)

Life expectancy at age 65 (currently aged 45)

Male: 26.6 years (2020: 26.3 years)

Female: 27.9 years (2020: 27.7 years)

Employer and Employee contributions

As part of the 2018 valuation, the trustees determined, after consultation with employers, a revision to the existing recovery plan to pay off the revised shortfall by 31 March 2028, the previous (2017 valuation) recovery plan was for recovery by 30 June 2034. The changes required to fund both the deficit and ongoing future costs are collected through increased employer and employee contributions. The 2020 triennial review had not been completed by the time that these financial statements were approved and therefore the provision was prepared on the basis of the 2018 valuation. However, one outcome of negotiations leading up to approval of the financial statements has been the reduction of the planned increase in contributions that had been planned for October 2021.

The contributions following the 2018 valuation, and the revised contributions from October 2021, are as follows:

Period	Employers	Employees
To 30 September 2019	19.5%	8.8%
1 October 2019 to 30 September 2021	21.1%	9.6%
1 October 2021 onwards	23.7%	11.0%
1 October 2021 onwards (revised)	21.4%	9.8%

Deficit recovery contributions due within one year from the charity are £51,852 (2020: £14,867).

24. Related party transactions

The Company provided administrative services for The Open University Students' Educational Trust (OUSET) throughout the current and previous year. During the year ended 31 July 2021 the Company recharged management fees to OUSET of £42,507 (2020: £44,440). During the current year donations were collected on behalf of OUSET totalling £7,337. At the year end a balance of £4,299 (2020: £nil) was payable to OUSET. In the prior year these donations were collected by the subsidiary company which is now dormant (2020: £5,628 collected and £574 owed as at 31 July 2020).

During the year ended 31 July 2021 the Company received £1,821,700 (2020: £1,762,000) in the form of a subvention and £71,000 (2020: £89,000) in respect of exam paper replacement income. The Open University recharged costs totalling £1,315,000 (2020: £1,332,377). At the year end the Company was owed £18,335 (2020: £120,345).

25. Controlling party

The Trustees believe that there is no ultimate controlling party.