

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

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THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2019

Trustees

R Avann, OUSA Chief Executive
A Kingan, OUSA VP Students Support
P Cowan, OUSA VP Administration (resigned 1 October 2018)
S Goodyear, Co-opted Trustee
R Flynn, OU Vice Chancellor Nominee
L Adams, Chair and Co-opted Trustee (appointed 1 August 2018)
C Smith, Co-opted Trustee (appointed 1 August 2018, resigned 1 December 2018)
C Cowan, OUSA Vice President Administration (appointed 1 October 2018)
C Brown, OUSA President (appointed 1 August 2018, resigned 19 November 2018)
N Simpson, Immediate Past President (1 August 2018, resigned 30th August 2018)

Charity registered numbers

285189 and SCO38300

Principal office

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

Independent auditor

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

Bankers

National Westminster Bank plc
501 Silbury Boulevard
Milton Keynes

Solicitors

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

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2019

The Trustees present their annual report together with the audited financial statements of The Open University Students Educational Trust (Ouset) for the 1st August 2018 to 31st July 2019. The Trustees confirm that the annual report and financial statements of the Charity comply with the current statutory requirements, the constitution and the provisions of the FRS 102 SORP.

Objectives and activities

Policies and objectives

The Trust is established to advance the education of the public by assisting Open University (OU) students who are in a condition of need, hardship or distress and cannot access financial assistance from elsewhere by the provision of aids, grants, loans or other means that shall assist their education within the University.

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, including the guidance 'Public benefit: running a charity (PB2)'.

Strategies for achieving objectives

The Trustees consider that the strategic activities of the Charity are carried out for the public benefit and in particular adhere to the following charitable purpose as set out by the Charity Commission in its guidance on public benefit under Section 4 of the Charities Act 2011: The advancement of education. The Trustees fulfil their strategic objectives by actively trying to increase the annual grant allocation and reaching out to those students who cannot access financial assistance from elsewhere.

Activities for achieving objectives

The Trust supports students who would be otherwise unable to study with the Open University, whether this is due to being ineligible for other forms of financial assistance or being unable to secure the full amount they may need to support their needs. Ouset works closely with the University to promote the opportunity of support and to work together to maximise the use of the Trust's resources to assist successful applicants. The Trustees and their supporting members of OU Students Association staff are focused on the efficient processing of grant applications for financial assistance and the review of our funding criteria in light of the constantly changing environment of the Higher Education Sector.

Main activities undertaken to further the charity's purposes for the public benefit

The Trustees consider that the activities of the Charity are carried out for the public benefit and in particular adhere to the following charitable purpose as set out by the Charity Commission in its guidance on public benefit under Section 4 of the Charities Act 2011: The advancement of education. The Trustees confirm that they have referred to the guidance contained in the Charity Commissions guide on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Grant making policy

It is the policy of Ouset to consider applications from those who can demonstrate a serious intention to succeed in their studies with the University and who can also demonstrate that their need for financial support is genuine. Grants are only considered toward the cost of study and other closely related study requirements e.g. fees, travel to tutorials or residential schools, childcare costs, set books, IT equipment, and are not made for general cost of living expenses. Trustees give priority to those who have embarked on a particular qualification but where a change in financial circumstances mean that they would be unable to continue with their studies without assistance from Ouset. All applications are considered against the criteria in place at that time, which is regularly reviewed and revised by the Trustees to reflect changes in the Higher Education Sector.

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

Objectives and activities (continued)

Volunteers

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

Achievements and performance

Key performance indicators

Ouset was able to support 129 students for a total of £274,442 in awards including an award of £100,000 to the Open University Scholarships Programme, and an award of £20,000 to the Young Carers Scholarship Fund. There was an increase in the level of financial support given to applicants in comparison to the previous year. Ouset supports those who would otherwise be unable to fund their studies, often due to an unforeseen change in circumstances or considerable hardship. This brings wider benefits not only to successful applicants but to society at large and the Trustees are proud of the contribution they make to improve the lives of the grant recipients. During the year, the Trustees have set in motion considerable plans for widening our reach in forthcoming years including the exploration of further financial support to Scholarship Funds, to ensure we support as many people as possible whilst also acknowledging the need to preserve the Charity's sustainability for the future.

Review of activities

The Charity has systems in place to provide the appropriate information needed by Trustees and staff to make sound financial decisions and to fulfil Charity Commission requirements. The Charity monitors financial statements and receives comprehensive reports to achieve a better understanding of their finances to ensure future financial sustainability. The Charity reported no funds in deficit during the year.

Investment policy and performance

The Charity currently has unrestricted reserves as at 31 July 2019 of £813,375. The Trustees have set in motion plans to increase expenditure in future years and improve promotion of the opportunity for support. The current Higher Education sector financial picture remains uncertain and ever changing and therefore the context that we operate in is a challenging environment where the Trustees have to apply financial prudence to their decision making to ensure Ouset financial sustainability but nonetheless it is our desire to attract hard to reach students and raise awareness about the Charity's work.

Factors relevant to achieve objectives

The Trustees regularly review the financial activities of the Charity and continue to develop further plans to increase expenditure in future years. The Charity has been monitoring the education and financial sector and making necessary adjustments to its criteria to ensure that the guidance and methods of operation were well adapted to the changing student demographic and their needs.

Financial review

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 OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

Structure, governance and management

Governing Document

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

Methods of appointment or election of Trustee

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

At the end of this year, the co-opted Trustees kindly agreed to continue over the summer period to help the new incoming Trustees with handling applications during our busiest period.

Policies adopted for the induction and training of Trustee

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

Pay policy for key management personnel

Ouset does not employ any staff. Instead, Ouset pays a management charge to the Open University Students Association for the staffing support that it receives. The day to day management of the Charity is managed by the Open University Students Association's Head of Operations and her team.

Organisational Structure and Decision Making

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

Related Party Relationships

The Open University Students Association (OUSA) was instrumental in establishing Ouset and takes responsibility for fundraising on Ouset's behalf.

During the year the OUSA made a donation of £100,000 from funds raised from NUS commission.

Risk management

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

Constitution

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

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

Plans for future periods

Ouset has made considerable adjustments to its criteria, guidance and methods of operation during the previous year in order to adapt to the changing student demographic and their needs. Ouset continues to be reviewed and our working arrangements are under a process of improvement to deliver an organisation that can better achieve our objectives. During the year Ouset has taken steps towards updating its governing document, Declaration of Trust, to make improvements to the administration and effectiveness of the Trust, and to invite more independent representation. For the second time, the Trustees decided to widen the criteria to provide support to the Open University Scholarships Programme with a specific purpose to support Young Carers.

This financial year has been very important to the Open University, as it celebrated its 50th Anniversary. To commemorate this special time, the Trust decided to participate in the celebrations and donate an award of £20,000 to support the Young Carers Scholarship Programme. This programme is one of many programmes established by the Open University in its 50th year to support the equivalent of 50 undergraduate/postgraduate full-fee waiver scholarships for young carers. The Trust felt that this programme will highlight how young carers can achieve their educational goals through flexible and supported learning at The Open University.

After comprehensive research into the Open University Scholarships Programme and presentation delivered by the OU Development Office a decision was made by the Ouset Trustees to financially support the programme. In 2017 the Trustees approved a total of £300,000 to be awarded to the scheme over the period of three years. This financial year for the third and final year running an award of £100,000 has been given to the Development Office to manage and allocate against the Scholarship Programme criteria. This fund will help students to pay for their study related costs such as module fees. At the end of each financial year a progress report is submitted by the OU Development Office and presented to the Trustees.

In the 2018-19 financial year as a result of the donation given to the Scholarships programme 199 individuals have now started their higher education journey with the OU, 161 have completed their first module, and of these 84 (52%) have continued their degree studies. These students are now in a position where they can develop further confidence in their abilities, and feel empowered to continue their learning journey with further modules towards their desired qualifications. The Trustees are looking forward to the final year of this pilot programme and its evaluations, and hope that more students will be enrolled in the programme and they will start to see the impact of breaking down barriers to life-changing learning opportunities for those who cannot access it without financial support. The Trustees are looking forward to receiving update reports and evaluations on any remaining unused funds which will be used to support new learners.

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

Statement of Trustees' responsibilities

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

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

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

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

Approved by order of the members of the board of Trustees on 24/10/19 and signed on their behalf by:



.....
L Adams, Chair and Co-opted Trustee

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

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

Opinion

We have audited the financial statements of The Open University Students Educational Trust (the 'charity') for the year ended 31 July 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Use of our report

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



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

Date: 4/11/2024

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

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies	3	228,017	-	228,017	80,734
Investments	4	2,344	-	2,344	1,827
Total income		230,361	-	230,361	82,561
Expenditure on:					
Charitable activities		338,962	-	338,962	325,239
Total expenditure		338,962	-	338,962	325,239
Net expenditure		(108,601)	-	(108,601)	(242,678)
Net movement in funds		(108,601)	-	(108,601)	(242,678)
Reconciliation of funds:					
Total funds brought forward		921,976	13,140	935,116	1,177,794
Net movement in funds		(108,601)	-	(108,601)	(242,678)
Total funds carried forward		813,375	13,140	826,515	935,116

The notes on pages 13 to 20 form part of these financial statements.

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2019

	Note	2019 £	2018 £
Current assets			
Debtors	9	45,337	407
Cash at bank and in hand		826,168	981,938
		<u>871,505</u>	<u>982,345</u>
Creditors: amounts falling due within one year	10	(44,990)	(47,229)
Net current assets		<u>826,515</u>	<u>935,116</u>
Total net assets		<u><u>826,515</u></u>	<u><u>935,116</u></u>
Charity funds			
Restricted funds	11	13,140	13,140
Unrestricted funds	11	813,375	921,976
Total funds		<u><u>826,515</u></u>	<u><u>935,116</u></u>

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



.....
L Adams, Chair and Co-opted Trustee

Date: 24 OCTOBER 2019

The notes on pages 13 to 20 form part of these financial statements.

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2019

	2019 £	2018 £
Cash flows from operating activities		
Net cash used in operating activities	(155,770)	(213,744)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(155,770)	(213,744)
Cash and cash equivalents at the beginning of the year	981,938	1,195,682
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	826,168	981,938
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 13 to 20 form part of these financial statements

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

1. General information

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

2.2 Income

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

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

2.3 Expenditure

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

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.3 Expenditure (continued)

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

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

2.4 Interest receivable

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

2.5 Debtors

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

2.6 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.

2.7 Liabilities and provisions

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

2.8 Financial instruments

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

2.9 Fund accounting

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

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

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

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

3. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	114,884	-	114,884	21,404
Legacies	113,133	-	113,133	59,330
	<u>228,017</u>	<u>-</u>	<u>228,017</u>	<u>80,734</u>
Total 2018	<u>67,594</u>	<u>13,140</u>	<u>80,734</u>	

4. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest received	<u>2,344</u>	<u>2,344</u>	<u>1,827</u>

5. Analysis of grants

	Grants to Institutions 2019 £	Grants to Individuals 2019 £	Total funds 2019 £	Total funds 2018 £
Grants	<u>120,000</u>	<u>154,442</u>	<u>274,442</u>	<u>260,840</u>
Total 2018	<u>102,180</u>	<u>158,660</u>	<u>260,840</u>	

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

6. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Grant funding of activities 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Grants	-	274,442	-	274,442	260,840
Direct costs	58,360	-	-	58,360	59,287
Governance costs	-	-	6,160	6,160	5,112
	<u>58,360</u>	<u>274,442</u>	<u>6,160</u>	<u>338,962</u>	<u>325,239</u>
Total 2018	<u>59,287</u>	<u>260,840</u>	<u>5,112</u>	<u>325,239</u>	

Analysis of direct costs

	Grants 2019 £	Total funds 2019 £	Total funds 2018 £
Management charges	57,757	57,757	56,624
Postage and stationery	126	126	114
Board meetings	193	193	400
Card transaction charges	201	201	294
Data protection	35	35	35
Bank charges	48	48	41
Ambassadors Project	-	-	1,779
	<u>58,360</u>	<u>58,360</u>	<u>59,287</u>

Analysis of support costs

	Grants 2019 £	Total funds 2019 £	Total funds 2018 £
Governance costs	6,160	6,160	5,112

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
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7. Net income/(expenditure)

This is stated after charging:

	2019 £	2018 £
Auditor's remuneration	4,560	4,200
	4,560	4,200

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

4 Trustees received reimbursement of expenses amounting to £1,270 in the current year, (2018 - 4 Trustees - £912).

8. Staff costs

The charity has no employees other than the Trustees, who did not receive any remuneration (2018 - £NIL).

9. Debtors

	2019 £	2018 £
Other debtors	4,564	191
Prepayments and accrued income	40,773	216
	45,337	407

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to The Open University Students Association	50	11
Other creditors - grants payable	40,501	42,894
Accruals and deferred income	4,439	4,324
	44,990	47,229

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS
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11. Statement of funds

Statement of funds - current year

	Balance at 1 August 2018 £	Income £	Expenditure £	Balance at 31 July 2019 £
Unrestricted funds				
Designated funds				
Students in Secure Environment	100,000	-	(100,000)	-
General funds				
General Funds	821,976	230,361	(238,962)	813,375
Total Unrestricted funds	921,976	230,361	(338,962)	813,375
Restricted funds				
Legacies - student support	13,140	-	-	13,140
Total of funds	935,116	230,361	(338,962)	826,515

Statement of funds - prior year

	Balance at 1 August 2017 £	Income £	Expenditure £	Balance at 31 July 2018 £
Unrestricted funds				
Students in Secure Environment	200,000	-	(100,000)	100,000
General Funds	977,792	69,421	(225,237)	821,976
Restricted funds				
Legacies - student support	-	13,140	-	13,140
Total of funds	1,177,792	82,561	(325,237)	935,116

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

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

12. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Current assets	969,205	13,140	982,345
Creditors due within one year	(47,229)	-	(47,229)
Total	<u>921,976</u>	<u>13,140</u>	<u>935,116</u>

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

	2019 £	2018 £
Adjustments for:		
Net expenditure for the year	(108,601)	(242,678)
Decrease/(increase) in debtors	(44,930)	5,778
Increase/(decrease) in creditors	(2,239)	23,156
Net cash used in operating activities	<u>(155,770)</u>	<u>(213,744)</u>

14. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	826,168	981,938
Total cash and cash equivalents	<u>826,168</u>	<u>981,938</u>

THE OPEN UNIVERSITY STUDENTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

15. Related party transactions

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

During the year a management charge of £57,757 (2018: £56,624) and other costs of £187 (2018: £273) were charged by OUSA. At the year end a balance of £Nil (2018: £11) was payable.

During the year the OUSA made a donation of £100,000 from funds raised from NUS commission.

During the year donations of £7,537 (2018: £9,002) were collected by OUSA (Services) Limited, a subsidiary of OUSA. At the year end a balance of £Nil (2018: £191) was receivable. Also during the year, purchases of £326 (2018: £Nil) were made from OUSA (Services) Limited. At the year end a balance of £251 (2018: £nil) was payable.

During the year expenses totalling £1,270 (2018: £912) were reimbursed to 4 Trustees (2018: 4). At the year end a balance of £Nil (2018: £Nil) was payable.

16. Controlling party

The Trustees consider that there is no ultimate controlling party.