

Charity registration: 1063492
Company registration: 3401440

UNIPOL STUDENT HOMES

Annual Report and Group

Financial Statements

31 July 2012

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UNIPOL STUDENT HOMES

ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS 2012

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LEGAL AND ADMINISTRATIVE INFORMATION

BOARD

The Board comprises the following representatives

The University of Leeds

Professor Stephen Scott, Head of School of Physics & Astronomy

Chair of Unipol

Dr Andrew Brooks, Head of Academic Appeals and Regulation

Honorary Treasurer

Mr Ian Robertson, Head of Residential Accommodation

All contactable at University of Leeds, Leeds LS2 9JT

Leeds Metropolitan University

Mr David Arblaster, Director of Services to Students (resigned 26 April 2012)

Officer Without Portfolio

Mr David Collett, Head of Campus and Residential Service

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

Leeds University Union

Mr Ben Fisher, Sabbatical Officer

Ms Harriet Rankin, Sabbatical Officer (resigned 30 June 2012)

Ms Katie Siddall, Sabbatical Officer (appointed 1 July 2012)

Mr Kevin Pearson, Resources Director

All contactable at Leeds University Union, PO Box 157, Leeds LS1 1UH

Leeds Metropolitan University Students' Union

Jawanza Ipyana, Sabbatical Officer (resigned 23 June 2012)

Ms Jo Johnson, Sabbatical Officer (resigned 30 June 2012)

Ms Channing Brankin, Sabbatical Officer (appointed 1 July 2012)

Ms Mia Tamarin, Sabbatical Officer (appointed 1 July 2012)

Ms Nicola Goldthorpe, Chief Executive

All contactable at Leeds Metropolitan University Students' Union, Calverley Street, Leeds LS1 3HE

Bradford College

Mr Andy Welsh, Director of Corporate Services

Contactable at Bradford College, Great Horton Road, Bradford, B7 1AY

Individuals

Mr Mike Wilkinson

Deputy Chair of Unipol

Mr Gavin Duncan (appointed 1 July 2012)

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

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TRUSTEES' REPORT

LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)

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

OFFICERS OF UNIPOL STUDENT HOMES

Mr M J Blakey	Chief Executive
Ms E Hodgen	Deputy Chief Executive & Company Secretary
Ms F M Barry	Financial Controller
Ms G Smith	Assistant Chief Executive – Housing Services
Ms N Brown	Assistant Chief Executive - Bureaux Services
Ms V Loverseed	Development Manager
Mr A Livesey	Communications and IT Manager

BANKERS

National Westminster Bank plc Leeds Commercial Office 4 th Floor 2 Whitehall Quay Leeds LS1 4HR	Barclays Bank plc Barclays House PO Box 190 6 East Parade Leeds LS1 2UX	Svenska Handelsbanken AB (publ) 5th Floor 3 The Embankment Sovereign Street Leeds LS1 4BJ
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SOLICITORS

Pinsents 1 Park Row Leeds LS1 5AB	Denison Till Stamford House Piccadilly York YO1 9PP	Hatch Legal 12 Park House 11 Park Row Leeds LS1 5HB	Godloves Solicitors 8-16 Dock Street Bridge End Leeds LS10 1LX
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AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants and Statutory Auditors
2 Whitehall Quay
Leeds
LS1 4HG

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

The annual report and the audited financial statements are for the year ended 31 July 2012 in the 38th year of operation of Unipol Student Homes as a registered charity. On 1 August 1997 Unipol was incorporated as a charitable company limited by guarantee. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is required to contribute an amount not exceeding £1. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

HOW THE CHARITY'S ACTIVITIES DELIVER PUBLIC BENEFIT

The charity's core purpose is to provide support for those studying at educational institutions in the form of accommodation and advice and to assist those by delivering effective education, ensuring that the students' residential experience is as productive as possible. Students (and the institutions being supported) rate their living experience and the acquisition of life skills and personal development as a very important aspect of their overall education.

May this year saw the agreement of trustees and other stakeholders to the new *Forward Look 2012-2015* which set the strategic course for Unipol over the next three years. In the previous three years attention and achievements had been focused on increasing the quality of outputs and improving a number of benchmark indicators on customer satisfaction, letting levels and financial viability.

In considering the *Forward Look* trustees reaffirmed the multi-faceted nature of Unipol with four main strands to its services:

1. Providing details of private rented properties in three student centres (Leeds, Nottingham and Bradford). Displaying properties honestly and comparably together with benchmarking the standards of those properties and ensuring that student users of its services have real choices and that they are able to select good quality properties with confidence and knowledge.

The charity delivers, free of charge to all students (and potential students), a central service that gives them accurate, transparent and comparable information, coupled with advice and assistance, that educates, informs and aims to empower them to make high quality decisions that reflect their accommodation needs. All three Accommodation Bureaux operations are well used and are regarded by students studying in those areas as the central point for advice and information about where to live and what to consider.

In 2011 Unipol displayed details of over 26,000 bed spaces and over 620,000 searches were carried out on the website search engine. Each month almost 21,000 unique users make active use of the website which in 2011 received over 50 million hits.

2. Being a provider of housing to a full cross section of students in Leeds, housing 2,700 tenants (around 6% of the Leeds student market) in a wide variety of properties: from first year students living in large purpose-built halls, to returning students living in off-street properties, from new buildings to listed historic buildings. Unipol houses postgraduates, international students and those with special housing needs, particularly those with families.

The portfolio has a special emphasis on students with dependents where affordability is essential to those students having access to appropriate housing options. Working in partnership with the universities and registered social landlords, and using some internal rental subsidy available from its shared student operations, in 2011-2012 it made 310 subsidised houses and flats available to students with families in Leeds.

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Rents are normally below market rents with additional concessions and support being made available. Whilst rents need to cover the essential costs of housing provision, the charity's management methodology offers a much higher level of personal support and flexibility for student tenants than would be offered by others

3 Running and promoting a number of accreditation schemes which aim to ensure that Code properties are of a high standard, are well managed and have high levels of customer satisfaction. Unipol is committed to improving housing standards for students and the local community, setting and enforcing benchmark standards and disseminating these to students so that they know what they are

In Leeds over 18,000 bed spaces are accredited, in Nottingham just over 10,000 and in Bradford 950. A further 168,000 bed spaces are accredited through the Government approved National Codes which Unipol operates

4 Training those in the national arena on student housing issues

Training informs, identifies and promotes expertise and good practice disseminating this throughout the student housing sector

These four strands fit within a conceptual whole. Unipol is not only at the centre of student housing but it is *involved* at every level: information, advice, policy development, setting, measuring and checking standards as well as providing student accommodation itself. They are not four separate functions that the charity chooses to undertake as the result of some developmental pragmatism of the past; they collectively form the essential whole experience of student accommodation that gives the charity its ability to survive, evolve and thrive.

The charity has a policy of placing as much information about its services and operations on open access on its popular website and additional information is kept in an up to date and accessible format on <http://www.unipol.org.uk/National>

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The charity is managed by a Board of Directors (who are also the trustees) 13 of whom are nominated by the five member institutions (the University of Leeds, Leeds Metropolitan University, Leeds Metropolitan University Students' Union, Leeds University Union and Bradford College). The Board can co-opt up to 5 further trustees and currently there are two co-opted trustees. It is pleasing to report that there are currently four trustees serving on the Board aged between 18-29 (26% compared to the national average of 2%).

The Board's overall role in accountability and governance of the charity is assisted by a number of committees and from time to time the Board establishes specific working groups or project groups to consider more detailed policy options open to them.

Governance - The Board

The Board met 5 times during the year together with a Board visit to a selection of Unipol's properties which trustees decided should have the status of a meeting.

The Board maintains a number of systems to ensure the maintenance and development of its effectiveness, including ensuring regular attendance at Board meetings and committee meetings.

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Attendance of trustees at Board meetings is monitored and reported on Unipol's website. Attendance at meetings for the Board remains high.

The Board places a high value on the processes for the recruitment and induction of trustees by stressing the individual aspect of becoming a trustee and giving adequate time and energy to being a trustee. All trustees, on appointment, receive a substantial pack of information about the charity, including key policy and procedure documents, information about the powers of the Board, and how those powers are exercised, the details of the devolution of specific responsibilities to Officers of the Board, the Chief Executive and senior staff members. The Company Secretary is available to deal with any specific issues relating to this pack and trustees confirm to the Board at the first available opportunity that they have read and understood the material sent to them.

All trustees also receive a full day's dedicated induction. The day consists of an opportunity to meet the senior management team, talk with the Chief Executive, take part in an induction presentation that outlines the financial and administrative structure of the charity and visit some properties.

The year saw a trustee review process fully implemented with trustees reviewing each other in a structured manner with the aim of improving both their contribution to the charity and their governance role. Outcomes from these reviews were analysed, common themes identified and change undertaken. Trustees all felt that Unipol was successful and well run and they were proud to be associated with the charity. The induction process for new trustees was seen as effective, although not all new trustees had originally anticipated the full scope of Unipol's activities and the complexity of the environments in which it works. Many trustees also indicated significant self-development from serving on the Unipol Board.

In September 2011 trustees confirmed the charity's use of the Good Governance Code *A Code for the Voluntary and Community Sector* as the mechanism for reviewing governance processes and a working document which is revised, updated and reviewed by the Board annually to reflect any changes in governance. In October 2010, an independent Group issued a new Code. Although Unipol continues to use the previous Code to provide a useful, and comparable, operational framework for reviewing governance matters, Unipol's trustees endorsed and subscribed to the six principles of the new Code and have ensured that they are followed in the ongoing governance of the charity. The latest review can be consulted at <http://www.unipol.org.uk/Media/PDF/goodgovernancecompliance.pdf>.

A number of minor governance changes were made throughout the year, mainly relating to the charity's committee structure. The term "subcommittee" was removed and now all subsidiary bodies are Committees, Groups or Advisory Groups. A new Nottingham Services Committee replaced the previous body.

Following on from an earlier review by the Group on Governance, a significant effort was made during this year to identify a number of new trustees for the purposes of co-option to the Board to fill previously identified skills shortages. The trawl involved widespread advertising and use of consultancy bodies and, although a significant number of expressions of interest were received, few candidates possessed the skills being sought. Only one trustee was co-opted during the year. The process was, however, useful, in demonstrating that specific future trustees needed to be "head hunted" rather than trawled for and progress will no doubt be made in co-opting a further three trustees in the forthcoming year.

Unipol operates a transparent Complaints Procedure and complaints are monitored and reviewed so that lessons can be learnt from any disputes or problems occurring. In 2011-2012 there were 18 non deposit related complaints received and this compared with 20 in 2010-2011. Complaints continued to be responded to within a reasonable time with 13 being responded to in under 10 days and 5 between 10 days and 21 days. 4 complaints were upheld, 3 were partially upheld and 11 were rejected. There was no obvious clustering of complaints to show any evidence of systemic failures in systems.

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Complaints regarding deposit deductions are dealt with separately. During the year no students took the opportunity to avail themselves of the independent deposit protection dispute resolution system with all complainants being satisfied locally.

Membership of the Board

Mr David Arblaster resigned from the Board in April 2012. David had been a Leeds Metropolitan University nominated trustee on Unipol's Board since October 2003, a period of service of 9 years and had been an active and dedicated member of the Board, sitting on a number of Committees and being an Officer of the Board for the last three years.

One nominated position, left vacant following a resignation from Leeds Metropolitan University, remained vacant throughout the year. The University has reaffirmed its commitment to nominating its quota of trustees to the Board and all positions will be filled by November 2012.

Policies and Commitments

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

<http://www.unipol.org.uk/Media/PDF/Health%20and%20Safety%20Housing%20June%202012.pdf>

<http://www.unipol.org.uk/Media/PDF/Health%20and%20Safety%20Office%20Policy%20June%202011.pdf>

The health and safety functions within the charity were subject to review over the year and are working well and efficiently.

In March 2012 a new policy on *Housing Students Under the Age of 18* was established (available at <http://www.unipol.org.uk/Media/PDF/Under18sPolicy2012.pdf>)

The policy sets out what young occupiers and their parents or guardians can expect from Unipol, and what Unipol expects from them in return and a key part of the policy is to make these expectations clear. The objective of the policy is to help students and their guardians make an informed decision about whether Unipol is the right choice of housing supplier for them. It also confirmed that Unipol would not house any students under the age of 16.

Unipol remained a member of the *Leeds Landlord Accreditation Scheme* and the *National Code for Larger Student Developments*, both of which provide external scrutiny of its own standards and performance.

Investment Powers

The Memorandum and Articles of Association of the charity permit wide powers of investment. The borrowing threshold set within the charity's powers is £15 million although the amount currently being borrowed at this time stood at £2,640,056 (2011: £1,534,781).

Risk

Unipol undertakes an annual Risk Analysis and during the year the analysis was fully updated to take full account of changing circumstances. The risk analysis has been significantly revised to take into account risks that have both reduced and increased.

The main conclusion from the 2011-2012 analysis was that the number of areas where there was a high level of risk had significantly reduced with the number of areas that relate to risk management reducing,

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reflecting the shift away from uncontrollable risks to those would have a negative, but manageable, effect upon the organisation

The agreement reached with Leeds City Council to re-lease their properties reflected a very significant removal of risk from the organisation, as did the agreements reached for continued funding for all of the Bradford and Nottingham operations. The new risks identified related to an accumulation of smaller risks relating to grant aid not keeping pace with inflation and costs with this being supplanted by externally generated income which was less secure

Management and Staffing

A number of changes were made during the year to reshape the organisation in order to maintain and improve effectiveness

- following the resignation of the Assistant Chief Executive - Technical Services in May 2010 a "holding" operation had been mounted whilst a view was taken on how the IT team should best be developed. The Chair of the IT Committee, Ms Jane Lord, helped review a number of future options concluding that because of the importance of Unipol's IT services the outsourcing of certain aspects of the operation was undesirable and greater internal capacity should be built. On that basis a new post of *Applications Developer* was appointed as a third core member of the IT team. Additional resources were also made available to continue to develop the IT infrastructure, deliver an extension of the housing management system, improve day to day support and undertake work on the specification, timetabling and content of a new and exciting web site which would be commissioned to go live in 2013
- a new post was created entitled *Housing Management Officer (Technical Support)* under the Housing Manager to strengthen internal co-ordination of certain building and refurbishment projects
- the *Review and Remunerations Group on the Chief Executive*, in undertaking their annual review, suggested a wider review of the Senior Management team which was ongoing throughout the year and reported in August 2012

Capacity within the Senior Management Team remains an issue which the charity continuously seeks to address, within the constraints of available resources, the need to acquire expertise that is not necessarily easy to identify because of Unipol's particular specialist functions

The Senior Management Team continues to meet weekly and a wider Management Team meets every fortnight

OBJECTIVES AND ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The challenge of setting the strategy for the next three years should not be underestimated. At the trustees' away day, and subsequently in discussions, there were a wide range of options that could have then been followed. Under the skilled guidance of the Chair, open and in a special Board meeting transparent consideration of all the options was undertaken with trustees achieving consensus about future direction and development. It is all too easy to take this kind of outcome for granted. In reality, many charities often have difficulty in deciding how to move up a gear and chart a course forward

The new *Forward Look 2012-2015*

(available at <http://www.unipol.org.uk/Media/PDF/forwardlook2012-2015.pdf>) has set a clear course for the organisation and established five strategic objectives for the organisation

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Maintaining and Developing the Portfolio

Unipol's portfolio reflects part of Unipol's core purpose and is the basis for the financial viability and sustainability of the charity. The portfolio must continue to develop and reflect the charity's management competence and vision of the type, variety, range and standard that good student housing should offer.

Raising Standards

Unipol will seek to extend its role in accreditation by growing all the schemes it currently operates and seeking to establish new schemes. It will seek to promote landlord engagement, training and knowledge and verification. Unipol will continue raising the profile of the value of accreditation with students as consumers.

Smarter Tenants

Unipol will seek to ensure that students know their legal rights, have their deposits protected and understand the health and safety aspects of their accommodation through planned awareness raising campaigns run in partnership with other key players.

Investment in People, Skills and Expertise

Unipol will ensure that its staff have a commitment to the mission of the charity, are properly trained, have the right skills and are motivated and rewarded. The governance of the charity will seek to close any identified skills deficit and maintain its focus on strategic leadership. Unipol's commitment to training, motivational and skills development will also be rolled out to the sector through external training and policy work.

Growth and Financial Reality

Unipol will build its strategic priorities upon the proper maintenance and upgrading of the existing portfolio and the enhancement of Unipol's services to students and institutions in the context of modest growth. Growth implies investment and it is vital that Unipol responds, ahead of time, to the changes in the younger person's housing markets, getting the balance between affordability and quality right.

The charity will seek to maintain a budget surplus year on year to build funds for ongoing and future investment and strengthen cash flow. This will also help fund a modest acquisition programme of smaller houses which aims to strengthen the asset base of the charity and build flexible reserves for the future.

This year progress has already been made in all five areas (although it is inappropriate to relate this to specific objectives in the *Forward Look* which only took effect in May 2012) and below are some examples of achievements that have taken place.

The Portfolio

The Leeds City Council leased properties have been agreed and this secures 72 properties within the Unipol portfolio and commits the organisation to £530K of upgrading over the next three years. The negotiation has been carried out against the background of one of the most turbulent financial periods for the local authority with significant staff changes. The agreed arrangement enables Unipol to upgrade properties which were at the end of their life and lift them to the high standard that future consumers should expect.

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Up to September 2012 (in the first few months of the three year cycle) Unipol has spent £118K upgrading 10 family properties and £46K upgrading 4 shared student houses and is currently on track to complete the programme of works agreed by 2015

The LCC arrangement also saw Unipol embark on a planned acquisitions programme that is taking place between 2011-2014. In this financial year Unipol purchased *41 Cardigan Road*, *97 Victoria Road* and *10 Burley Lodge Road* as this plan continued to run to time. All 3 properties have been fully upgraded into a market leading position.

In the previous year Unipol purchased *12 Clarendon Place* and this year the ground floor flat was fully refurbished. This property is the only off-street property in the Unipol portfolio that is wheelchair accessible and the accessibility of the bathroom was improved and a level access "wet room" shower installed.

The lease for *Woodsley Terrace* was renewed with the University of Leeds for a further three years from 2011-2014, securing vital well-placed and affordable accommodation for families studying at the University. As part of this agreement Unipol spent £199K carrying out improvements to the building.

The leasing of *Royal Park Flats* for a further five years was agreed with Leeds Metropolitan University and Connect Housing. The new arrangements provides for increased investment in the building (across this and next year) with a lower rent being charged to students for an improved living environment hitting all the bases on quality, affordability and value for money.

The Student Accommodation Market in Leeds and Lettings

Over the year Unipol commissioned and played a key role in research undertaken by re:new which provided information about the changes in student accommodation that had taken place in Leeds since 2006. The research showed dramatic changes in the pattern of student living over that time with students moving closer to the city centre and with an increasing tendency to live in the growing number of purpose built student accommodation developments or city centre flats.

The study drew attention to the need to move on from looking at measures to restrict the growth of shared student houses in North West Leeds (because contraction had already taken place) and drew attention to the importance of the local authority having a proper strategy for areas of Leeds that might otherwise suffer from unplanned structural change that would, in turn, result in a declining living environment for all those resident in those areas.

In the context of this bigger picture, it is pleasing to report that the charity's lettings improved, against a backdrop of a reduction in demand from students from 31,500 in 2006 to 23,000 (between 2006 and 2012) and increased competition from purpose-build suppliers.

Customer Satisfaction

Customer satisfaction continued to improve - a matter not entirely unrelated to Unipol's strong letting record. To quote from the independent report "Overall satisfaction ratings with Unipol housing have risen to the highest levels since this survey began. All these factors combine to pull the overall satisfaction index up from 5.87 (2010) through 6.57 (2011) to the 2012 value of 6.78."

Consumer satisfaction remain strong and it will be increasingly difficult to maintain year-on-year improvements, but incremental improvement remains the aim and staff have a high level of ownership in trying to do better than last year.

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Accreditation

The Leeds Code was fully reviewed by a very active *Leeds Code Review Group* and revised standards were put in place for 2012-2015. The *Managing Agents Supporter* scheme was fully reviewed and a new Group established to decide who should join and who should not join this scheme. Considerable resources continue to be devoted to enabling Unipol to recommend certain accredited managing agents with confidence that these agents really are meeting defined standards.

It is also gratifying in these times of economic stringency that those providing essential funding to assist in the maintenance of active and robust accreditation schemes (the University of Leeds, Leeds Metropolitan University, Leeds City Council, Nottingham City Council, Nottingham Trent University and the University of Nottingham) have all maintained that funding, recognising the importance of this work in the improvement of the student experience.

The Response to Challenges Identified Last Year

In last year's report a number of challenges were identified. Several of the challenges (relating to *LCC leases, Royal Park Flats, customer satisfaction and letting levels*) have already been covered. The others were

In Nottingham – all requested funding was secured for 2012-2013 and two thirds of the funding was secured to 2014. The reorientation of the service has been achieved with an expansion of the service continuing and, following a full review and upgrading of accreditation standards requiring a new declaration from membership the Unipol DASH Code continued to grow.

In Leeds – the joint project with Leeds University Union (using a Unipol outlet in their building) has built on the success of the first year. The outlet has been an invaluable base for partnership working with the Union to improve students' awareness of housing rights and consumer choices.

Production of on-line publications and better communication with students - the existing web site has been refreshed by more up to date photos and the insertion of student-to-student (peer to peer) videos and its use by students continues to increase as a tool to make good quality choices about student housing options.

The Accommodation for Students (AfS) Unipol Code – came on line in August 2011. Progress is slow but developments are ongoing. The development of the Code was always seen by both parties as a five year programme and, after one year, the Code is about where Unipol expected it to be. AfS have continued to resource the Code and Unipol needs to increase its capacity to ensure that growth is not constrained by its own lack of capacity – a challenge that will need to be met in this forthcoming year.

In 2010-2011 *Conferences and training* needed to survive and hold its own and develop through a difficult time. This has been achieved and the next year's programme has been adjusted to fit the current market conditions.

FINANCIAL REVIEW

The charity's bottom line for 2012 shows net incoming resources for the year of £94,560 after expenditure on major repairs of £176,071 and the cost of an exceptional direct expense of £110,016 (in respect of additional water charges). After provision has been made for the major work's reserve, the charity has a surplus of income over expenditure of £45,656, below the original budget surplus planned of £97K because of the exceptional direct expense.

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In reaching this surplus position a number of matters need to be taken into account

- the organisation has maintained a strong revenue performance because of enhanced rental income (some £125K above budget) reflecting the strong lettings record of the organisation
- summer lettings were also strong and saw rental income amount to £49K (£29K above budget) enabling this to make a meaningful contribution to overhead expenditure this year of £24K
- the settlement and payment of the lease fee for Grayson Heights enabled £87K of VAT to be reclaimed from the lease/management fee and this has enabled the organisation to meet some of the additional expenditure on fixtures and fittings within the income and expenditure account rather than using the sinking fund for that purpose
- no expenditure on summer works has been carried forward to the 2012-2013 financial year, despite some works for the 2012-2013 having to take place earlier because of Leeds Metropolitan University's decision to commence fresher's week on 8th September 2012
- staff costs have been controlled and came in at £1,330K some £32K below the budget of £1,362K
- all the accommodation bureaux performed well
- £10K of additional expenditure, relating to the tightening of the Unipol Supporters Code and a further £10K in respect of the research undertaken by re/new have been absorbed

The charity has total funds of £1,628,153 (up from 2011 £1,533,593) The major works reserve, set up to cover future refurbishment works on longer term leased properties has increased from £587,069 last year to £635,973 with £176,071 being spent during the financial year

Unipol now holds £992,180 (2011 £946,524) of its unrestricted funds in an undesignated form to offset cash demands within the organisation The charity will continue accumulating its unrestricted funds to improve cash flow, in the forthcoming year

Unipol purchased 3 new properties in the current year and Unipol's fixed assets have increased by £861K in the year from £4,557,919 (2011) to £5,419,182

The financial challenges reported at the end of the last financial year

- the need to maintain letting levels
- undertake increasing viewings and marketing to maintain revenue
- the need to continue to reduce staff costs whilst continuing to recognise and reward high performance and effort
- increase budget void provisions for 2011-2012
- the need to make some savings or enhance revenue in both bureaux in Leeds and Nottingham
- the importance of returning conferences to a stronger operational surplus

have, with exception of conferences, all been met

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This places the charity in line to achieve its planned budget surplus and substantial investment programme planned for 2012-2013 and, because most lettings are now known for the current year (with the exception of the recently acquired operation of Mary Morris House) gives Unipol a relatively firm financial horizon to August 2013 in the context of an improving set of products and services

PLANS FOR THE FUTURE

In the early part of this year, Unipol was approached by Mary Morris International Residences (MMIR), a registered housing association, as the association had agreed to wind down and wished to transfer many of its assets to Unipol our thanks go to their Board for having confidence in Unipol to remain true to their founder's wishes in understanding and catering for the continuing needs of international students. This transfer entailed Unipol taking ownership of a number of buildings and housing management obligations in Leeds and also involved a number of complex legal and staffing matters in order that both organisations' legal obligations could be fulfilled

The transfer arrangements commenced in March 2012 and were completed, as planned, on 1st August 2012 (the financial outcome of the transfer will be fully covered in next year's report) The full details of this post balance sheet event are detailed in note 19

In the longer term this transfer is a very good thing for Unipol, in the short term, considerable refurbishment and related expenditure was necessary in order that the buildings and management systems met Unipol's standards and no lettings for 2012-2013 had been undertaken by the outgoing staff prior to the transfer date, requiring a significant lettings effort from 1st August 2012

The main organisational challenge for the next year can be identified as managing growth. By taking over Mary Morris's infrastructure and growing its managed property portfolio Unipol has tipped over the 2,700 tenant base (now at almost 3,000) that it has maintained over the last five years and this brings about the need for a step change in structure and resources

Some parts of the organisation are repaying the investment that has been made in them over the last year. The *housing management team*, backed by a new housing management software system and on line lettings, is working well and lettings and customer satisfaction have been strong. The *IT team* with enhanced infrastructure and investment, is now making a real impact on improving and updating the IT services which have never been stronger and more responsive. The new website (and paying for it) will be an important output in this coming year. In 2012-2013 the *Bureaux services* are being unified under a single over-arching Assistant Chief Executive to improve co-ordination and shared service outputs, building on the success of increased usage

In 2012-2013 a refit of the Leeds office space and the Leeds Bureau is needed and Nottingham requires a new city centre office. Some half-way houses will be possible here, but in order to achieve the level of investment needed to meet these costs the organisation will need to financially perform at the top of its game in the coming year

One significant challenge for 2012-2013 will be in the *financial management and administration* of the organisation. Finance has always been well run but these systems are being reviewed to ensure they can absorb all the future activity that will occur. There is also the challenge of increasing Unipol's borrowings at a time when banks are not sympathetic or helpful to smaller borrowers and Unipol is mid way through an investment period with its programme of acquisitions and refurbishments and cash flow is becoming a determinant of what can and cannot be done. This will be the year when financial systems must respond to the challenges that lie ahead

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There remains a capacity issue in the development resources of Unipol and the ability to tackle this is restricted by lack of development funding. By this time next year the organisation must have a plan in place to address this issue.

In the governance and trustee area, it is important that

- more trustees can be co-opted
- trustee review can produce higher levels of ambassadorship and help to the organisation
- Leeds Metropolitan University will reinvest high quality human capital in the Board
- something can be made of Unipol's 40th anniversary in 2013

Behind all this is the importance of maintaining rental income (consisting of 82% of the charity's annual resources). The market in Leeds continues to be in heavy surplus and competition between suppliers is increasing as student numbers have declined by an estimated 2,500 students following the introduction by the Government of high cost fees for 2012-2013. Unipol has continued to perform well in a hostile environment in the past, but the future must be increasingly uncertain. The charity has increased its void contingency to lessen its dependence on almost full occupancy and is investing in improving its product level. It is doing the most it can to ensure continued success. Without that success, economies would need to be found and future activities restricted.

What New Things Will We Need to be Achieved Next Year?

The following areas can be identified (in no particular order of importance)

- obtaining a reasonable subvention settlement and continued support from all four founding partners, without disproportionate effort
- building on the success of the Bradford service and extending the relationship with Bradford College by housing some of their students from 2014 in a new and appropriate building
- reviewing the managed property portfolio to remove out-of-area properties, become more expert at non-student professional lets (as an insurance policy against declining student demand) and recruiting new higher quality and better located properties
- developing the content and design of the new Unipol web site
- developing a widened Nottingham service to include property management and the infrastructure that goes with that
- fully integrating Mary Morris's longer term properties into the Unipol portfolio and getting the main complex running properly and preparing it for the 2013-2014 letting year
- continuing to innovate to maintain Unipol's strong lettings record
- widening out Unipol's reputation for research and dissemination with a report on the private rented sector in Nottingham, undertaking the Accommodation Cost Survey with NUS to be launched in November 2012, undertaking a survey of the benefits of larger accommodation suppliers to the economy (both national and local) and identifying how better quality accommodation fits within the improving student experience and developing (with ANUK) an Accreditation Handbook to promote best practice (to mirror the successful Landlord Handbook)

CONCLUSIONS

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

The challenge for the charity is to ensure core services do not lose ground as it undertakes new developments and that quality and customer care is not only protected in this period of change, but incrementally improves. All systems are, and will be, tested in this new period of change.

The other challenge will be for the organisation to generate sufficient revenue and operate its finances sufficiently tightly that development can thrive, unhindered by the financial mechanisms that are there to serve, not restrict, the organisation.

Unipol has a strong management team, a strong vision and knows where it wants to go. This next year will be about financially delivering the most important part of that journey.

The charity is well positioned to be able to deliver services as part of its mission to help students through their education, offering them support, a choice of a not for profit housing supplier and contributing towards an enhanced student experience. The values of the charity: honesty, transparency, choice, improvement and accountability, have never been more important in its wider mission to improve student accommodation standards and management at a time when there is pressure on rents and where high cost fees will result in many students and parents having to evaluate what they need and what they can afford.

The *Forward Look*, rightly, did not dwell on the threats to the charity, although the Board carry out a regular assessment of risk, instead it outlines an ambitious agenda for change, adaptation and improvement whilst maintaining growth as the best method of furthering Unipol's services.

The Board is pleased that the charity continues to expand without compromising its housing and service standards based on qualities that Unipol has championed around the ongoing principles of co-operation and partnership. The Board is confident that Unipol will continue to be successful, albeit in a challenging environment and will support any restructuring of priorities necessary to respond to the changing market.

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees of a Charity to prepare financial statements for each financial year. The financial statements are required by law to give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the Charity and group and the incoming resources and application of resources during the year and comply with UK GAAP and the Companies Act 2006. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom accounting standards and statements of recommended practice have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business

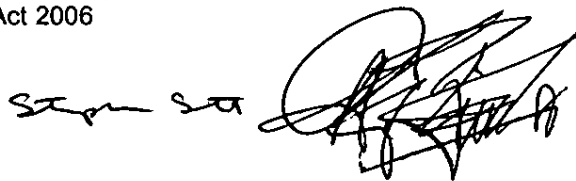
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Charity and group and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Auditor

The trustees, at the date of approval of this report, confirm that

- (1) so far as each trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- (2) the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006



Approved by the Board of Directors
and signed on behalf of the Board
By Professor Stephen Scott and Dr Andrew Brooks

28th November 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIPOL STUDENT HOMES

We have audited the group and parent charity financial statements of Unipol Student Homes ("the financial statements") for the year ended 31 July 2012 on pages 17 to 37. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Statement of Trustees' responsibilities set out on page 15, 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.

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2012 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate 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.

Baker Tilly UK Audit LLP

VICTORIA CRAVEN (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

2 Whitehall Quay

Leeds

LS1 4HG

3 / 12 / 2012

**UNIPOL STUDENT HOMES
GROUP AND CHARITY STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 July 2012**

GROUP	Unrestricted funds			Restricted funds	Total 2012	Total 2011	Note	CHARITY		Total 2012	Total 2011
	£	£	£					Unrestricted funds	Restricted funds		
INCOMING RESOURCES											
Incoming resources from Charitable Activities											
7,024,741		45,146	7,069,887		6,771,433		2	7,024,741	45,146	7,069,887	6,771,433
189,349		117,346	306,695		302,355		2	189,349	117,346	306,695	302,355
Activities for generating funds											
-		22,000	22,000		22,000		2	-	22,000	22,000	22,000
-		-	-		-		2	-	-	-	-
5,208		-	5,208		15,626		2/7	-	-	-	10,000
70		-	70		3,076			70	-	70	3,076
1,066		-	1,066		695		2	1,065	-	1,065	695
7,220,434		184,492	7,404,926		7,115,185			7,215,225	184,492	7,399,717	7,109,559
TOTAL INCOMING RESOURCES											
RESOURCES EXPENDED											
Costs of Charitable activities											
6,786,053		184,492	6,970,545		6,787,741		2	6,780,748	184,492	6,965,240	6,797,506
110,016		-	110,016		-		2	110,016	-	110,016	-
53,830		-	53,830		47,627		2	53,830	-	53,830	47,627
6,949,899		184,492	7,134,391		6,835,368		2	6,944,594	184,492	7,129,086	6,845,133
270,535		-	270,535		279,817		3	270,631	-	270,631	264,426
(176,071)		-	(176,071)		(248,286)			(176,071)	-	(176,071)	(248,286)
94,464		-	94,464		31,531			94,560	-	94,560	16,140
1,533,593		-	1,533,593		1,502,062		13	1,533,593	-	1,533,593	1,517,453
1,628,057		-	1,628,057		1,533,593		13	1,628,153	-	1,628,153	1,533,593
TOTAL RESOURCES EXPENDED											
NET INCOMING RESOURCES FOR THE YEAR											
CHARITABLE EXPENDITURE FROM DESIGNATED FUND											
Expenditure on major repairs											
NET MOVEMENT IN FUNDS											
Total funds brought forward at 1 August											
Total funds carried forward at 31 July											

**UNIPOL STUDENT HOMES
CHARITY INCOME AND EXPENDITURE ACCOUNT
Year ended 31 July 2012**

	Note	2012 £	2011 £
CONTINUING OPERATIONS			
Unipol Housing	2		
Income		6,085,415	5,859,444
Expenditure		(5,687,702)	(5,623,356)
Exceptional item		(110,016)	-
Surplus		<u>287,697</u>	<u>236,088</u>
Accommodation Bureau & Code of Standards – Leeds	2		
Income		393,650	364,735
Expenditure		(452,195)	(405,692)
Deficit		<u>(58,545)</u>	<u>(40,957)</u>
Accommodation Bureau & Code of Standards – Bradford	2		
Income		105,130	110,535
Expenditure		(97,109)	(79,301)
Surplus		<u>8,021</u>	<u>31,234</u>
Accommodation Bureau and Code of Standards – Nottingham	2		
Income		252,861	239,620
Expenditure		(244,566)	(227,838)
Surplus		<u>8,295</u>	<u>11,782</u>
Code of Standards – National	2		
Income		170,542	150,941
Expenditure		(159,700)	(158,598)
Surplus/(Deficit)		<u>10,842</u>	<u>(7,657)</u>
Property Management Service	2		
Income		215,884	195,657
Expenditure		(191,056)	(177,855)
Surplus		<u>24,828</u>	<u>17,802</u>
Unipol Conference	2		
Income		138,890	161,465
Expenditure		(149,125)	(161,256)
(Deficit)/Surplus		<u>(10,235)</u>	<u>209</u>
Website Affiliates	2		
Income		7,799	17,162
Expenditure		(7,804)	(11,237)
(Deficit)/Surplus		<u>(5)</u>	<u>5,925</u>
Surplus in year (carried forward to next page)		<u>270,898</u>	<u>254,426</u>

UNIPOL STUDENT HOMES
CHARITY INCOME AND EXPENDITURE ACCOUNT
Year ended 31 July 2012

	Note	2012 £	2011 £
Surplus in year (brought forward from previous page)		<u>270,898</u>	<u>254,426</u>
NEW OPERATIONS			
AfS			
Income		29,544	-
Expenditure		<u>(29,811)</u>	<u>-</u>
(Deficit)		<u>(267)</u>	<u>-</u>
Surplus in year		<u>270,631</u>	<u>254,426</u>
Net incoming resources for the year		<u>270,631</u>	<u>254,426</u>
Other Income		-	10,000
Transfer to major works reserve	13	<u>(224,975)</u>	<u>(225,020)</u>
Net movement in funds before movements on reserves		<u>45,656</u>	<u>39,406</u>
Surplus/(Deficit) of income over expenditure on major works reserve		<u>48,904</u>	<u>(23,266)</u>
Net movement in funds		<u><u>94,560</u></u>	<u><u>16,140</u></u>

Reconciliation of movements in Charity's funds

The surplus for the year for Companies Act purposes comprised the net incoming resources for the year less expenditure on major repairs and was £94,560 (2011 £16,140) all from continuing activities, all gains and losses included

**UNIPOL STUDENT HOMES
GROUP AND CHARITY BALANCE SHEET
31 July 2012**

Company Registration No: 3401440

GROUP	2012		2011		CHARITY	Note	2012		2011	
	£	£	£	£			£	£	£	£
									</	

These financial statements were approved by the Board and authorised for and issued on 28th November 2012
Signed on behalf of the Board

S Scott

A Brooks

S Scott

A Brooks

UNIPOL STUDENT HOMES
GROUP CASH FLOW STATEMENT
Year ended 31 July 2012

	Note	2012 £	2011 £
Net cash (outflow)/inflow from operating activities	A	(337,427)	1,018,470
Returns on investments and servicing of finance	B	(76,739)	(66,215)
Capital expenditure	C	(1,435,954)	(492,843)
Net cash (outflow)/inflow before use of financing		(1,850,120)	459,412
Management of financing	D	1,105,274	(8,567)
(Decrease)/increase in cash	E	(744,846)	450,845

NOTES TO CASH FLOW STATEMENT

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

	2012 £	2011 £
Incoming resources for the year before unrealised gains	94,464	31,531
Interest receivable	(1,066)	(695)
Interest payable	72,074	59,078
Depreciation charges	594,135	600,536
Fixed Asset transfer	-	1,280
NBV on disposal of fixed asset	556	597
Increase in stock	(11,612)	-
Decrease in debtors	16,249	96,072
(Decrease)/increase in creditors	(1,102,227)	230,071
Net cash (outflow)/inflow from activities	(337,427)	1,018,470

B. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2012 £	2011 £
Interest received	1,066	695
Interest paid	(77,805)	(66,910)
Net cash outflow on investments and servicing of finance	(76,739)	(66,215)

C NET CAPITAL EXPENDITURE

	2012 £	2011 £
Purchase of fixed assets	(1,435,954)	(492,843)
	(1,435,954)	(492,843)

D MANAGEMENT OF FINANCING

	2012 £	2011 £
Increase in bank loans	1,148,479	83,053
(Decrease) in other loans	(43,205)	(91,620)
Net cash inflow/(outflow) from financing	1,105,274	(8,567)

UNIPOL STUDENT HOMES
GROUP CASH FLOW STATEMENT
Year ended 31 July 2012

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

	2012	2011
	£	£
(Decrease)/increase in cash in the year	(744,846)	450,845
Cash (outflow)/inflow from financing	(1,105,274)	8,567
Movement in net funds and debt in the year	(1,850,120)	459,412
Net debt at 1 August	(740,557)	(1,199,969)
Net debt at 31 July	(2,590,677)	(740,557)

Analysis of net debt

	1 August		Non-Cash	31 July
	2011	Cash flow	Movement	2012
	£	£	£	£
Cash at bank and in hand	794,225	(744,846)	-	49,379
Overdraft	-	(394,637)	-	(394,637)
Debt due after one year	(1,298,327)	(947,092)	319,320	(1,926,099)
Debt due within one year	(236,455)	236,455	(319,320)	(319,320)
	(740,557)	(1,850,120)	-	(2,590,677)

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2012

1 ACCOUNTING POLICIES

The group financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005, the Companies Act 2006 and applicable United Kingdom accounting standards. The particular accounting policies adopted by the Board are described below and have been applied consistently throughout the current and preceding year.

Accounting convention

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

Basis of consolidation

The group financial statements comprise the results of the Charity and its subsidiary on a line by line basis, for the year ended 31 July 2012.

Preparation of financial statements – Going Concern basis

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

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

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

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

The charity meets its day to day working capital requirements through cash generated from charitable activities and, from time to time, an overdraft facility. Property purchases are funded through long-term bank loans whose repayment is met by cash generated from charitable activities.

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

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

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2012

1 ACCOUNTING POLICIES (CONTINUED)

Fund accounting

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

Unrestricted funds – Designated funds

Designated funds consist of the following reserve

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

Unrestricted funds – Other Charitable funds

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

Restricted funds

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

Incoming resources

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance of receipt

Operating leases

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

Allocation of costs

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

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

The allocation of costs can be seen in Note 2. Staff time is apportioned in relation to the time spent on each activity. Office overheads are apportioned in relation to the time spent/area of office space allocated to each activity

Development expenditure

Development expenditure relates to properties, purchased or leased, which are undergoing renovation at the year end. These properties are transferred to the relevant fixed asset category on completion and depreciated accordingly from the date of transfer

Provision for doubtful debts

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

Stock

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

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2012

1 ACCOUNTING POLICIES (continued)

Tangible fixed assets

Depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its expected useful life as follows:

Freehold buildings	2% on purchase of property Between 10 and 20% on cost of refurbishment of property
Freehold land	Nil
Shay Street/Holborn Terrace	10% on initial costs 20% on ongoing improvements
Woodsley Terrace/Mount Preston Street	7% on initial costs 20% on ongoing improvements
Leasehold land and buildings - other	Between 10% and 50%
Computer equipment	33%
Motor Vehicles	20%
Office fixtures and fittings	Between 10% and 25%
Unipol property furniture	20%
Assets in the course of construction	Nil

Investments

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

Pension schemes

The charity indirectly contributes to two pension schemes for the Charity's staff, the Universities Superannuation Scheme (USS) and the University of Leeds Pension and Assurance Scheme (PAS). The schemes are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme. The funds are valued every three years by actuaries with the rates of contribution payable being determined by the trustees on the advice of the actuaries. The amount charged to the Statement of Financial Activities in respect of pension costs is the contributions payable for the year.

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2012

2. DETAILED ANALYSIS OF STATEMENT OF FINANCIAL ACTIVITIES

GROUP 2012

	Unipol Housing £	AB & COS Total £	COS National £	Property Management £	Conference £	Website Affiliates £	AsF £	Gift from Subsidiary £	Total £
Operating activities									
Rent receivable	6,060,722	-	-	-	-	-	-	-	6,060,722
Administration income	9,714	-	-	1,079	2,000	-	-	-	12,793
Car parking income	8,196	-	-	-	-	-	-	-	8,196
Fee income	-	262,517	170,528	-	109,780	-	1,020	-	543,845
Development income	-	-	-	-	-	-	28,524	-	28,524
Printing income	-	15,964	-	-	-	-	-	-	15,964
Promotional tabloid	-	75,968	-	-	-	-	-	-	75,968
Code of standards income	-	86,646	-	-	-	-	-	-	86,646
Property management commission	-	-	-	193,605	-	-	-	-	193,605
Arrangement fees	-	-	-	8,995	-	-	-	-	8,995
Sundry income	5,879	3,743	3	12,116	5,089	7,799	-	-	34,629
Operating income	6,084,511	444,838	170,531	215,795	116,869	7,799	29,544	-	7,069,887
Non-operating income									
Subventions & College fees	-	306,695	-	-	-	-	-	-	306,695
Other income									
Sponsorship	-	-	-	-	22,000	-	-	-	22,000
Trading income from subsidiary	-	-	-	-	-	-	-	5,208	5,208
Gain from disposal of fixed assets	-	-	-	70	-	-	-	-	70
Investment income	904	108	11	21	21	-	-	1	1,066
TOTAL INCOME	6,085,415	751,641	170,542	215,886	138,890	7,799	29,544	5,209	7,404,926
Operating Expenditure									
Direct costs	2,027,488	70,647	55,309	14,579	78,118	-	28,254	-	2,274,395
Exceptional item	110,016	-	-	-	-	-	-	-	110,016
Direct staffing costs	449,509	228,053	57,599	106,669	26,501	2,929	1,557	-	872,817
Direct office costs	65,729	41,428	15,483	18,383	4,254	737	-	-	146,014
Lease/Management costs	2,417,954	-	-	-	-	-	-	-	2,417,954
Other costs	482,505	76,078	1,047	3,531	31,517	-	-	-	594,678
Non-operating expenditure	-	202,033	-	-	-	-	-	-	202,033
Support costs									
Staff costs	188,088	94,122	11,427	29,299	6,066	2,809	-	-	331,811
Office overheads	34,423	59,843	14,879	14,100	1,483	810	-	-	125,538
	5,775,712	772,204	155,744	186,561	147,939	7,285	29,811	-	7,075,256
Trading expenditure from subsidiary	-	-	-	-	-	-	-	5,305	5,305
Governance									
Staff costs	10,549	12,080	1,989	1,685	646	473	-	-	27,422
Office overheads	11,457	9,586	1,967	2,812	540	46	-	-	26,408
TOTAL EXPENDITURE	5,797,718	793,870	159,700	191,058	149,125	7,804	29,811	5,305	7,134,391
Surplus/(deficit)	287,697	(42,229)	10,842	24,828	(10,235)	(5)	(267)	(96)	270,535

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2012

2 DETAILED ANALYSIS OF STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

GROUP 2011

	Unipol Housing £	AB & COS Total £	COS National £	Property Management £	Conference £	Website Affiliates £	Subsidiary £	Total £
Operating activities								
Rent receivable	5,804,684	-	-	-	-	-	-	5,804,684
Administration income	9,615	-	-	1,068	-	-	-	10,683
Car parking income	8,609	-	-	-	-	-	-	8,609
Fee income	-	255,344	150,934	-	108,173	-	-	514,451
Membership income	-	-	-	-	3,503	-	-	3,503
Printing income	-	14,083	-	-	-	-	-	14,083
Promotional tabloid	-	64,003	-	-	-	-	-	64,003
Code of standards income	-	76,400	-	-	-	-	-	76,400
Property management commission	-	-	-	174,936	-	-	-	174,936
Arrangement fees	-	-	-	8,760	-	-	-	8,760
Sundry income	32,870	2,642	-	10,879	27,768	17,162	-	91,321
Operating income	5,855,778	412,472	150,934	195,643	139,444	17,162	-	6,771,433
Non-operating income								
Subventions & College fees	-	302,355	-	-	-	-	-	302,355
Other income								
Sponsorship	-	-	-	-	22,000	-	-	22,000
Gains from disposal of fixed asset	3,076	-	-	-	-	-	-	3,076
Other income	-	10,000	-	-	-	-	-	10,000
Trading income from subsidiary	-	-	-	-	-	-	5,626	5,626
Investment income	590	63	7	14	21	-	-	695
TOTAL INCOME	5,859,444	724,890	150,941	195,657	161,465	17,162	5,626	7,115,185
Operating Expenditure								
Direct costs	2,029,855	42,300	51,702	9,822	80,804	-	-	2,214,483
Direct staffing costs	418,807	207,728	54,920	90,295	34,224	5,358	-	811,332
Direct office costs	51,842	32,837	15,013	24,435	4,300	1,050	-	129,477
Lease/Management costs	2,417,711	-	-	-	-	-	-	2,417,711
Other costs	503,687	62,156	906	2,972	30,816	-	-	600,537
Non-operating expenditure	-	231,002	-	-	-	-	-	231,002
Support costs								
Staff costs	169,654	77,761	22,237	33,112	8,236	2,807	-	313,807
Office overheads	15,215	38,793	10,298	11,866	1,635	1,350	-	79,157
	5,606,771	692,577	155,076	172,502	160,015	10,565	-	6,797,506
Trading expenditure from subsidiary	-	-	-	-	-	-	(9,765)	(9,765)
Governance								
Staff costs	7,962	9,322	1,271	1,400	825	607	-	21,387
Office overheads	8,623	10,932	2,251	3,953	416	65	-	26,240
TOTAL EXPENDITURE	5,623,356	712,831	158,598	177,855	161,256	11,237	(9,765)	6,835,368
Surplus/(deficit)	236,088	12,059	(7,657)	17,802	209	5,925	15,391	279,817

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2012

2. DETAILED ANALYSIS OF STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

Accommodation Bureau and Codes of Standards Splits

	2012				2011			
	AB&COS Leeds £	AB & COS Bradford £	AB & COS Nottingham £	Total £	AB&COS Leeds £	AB & COS Bradford £	AB & COS Nottingham £	Total £
Fee income	138,129	19,921	104,467	262,517	132,055	24,010	99,279	255,344
Printing income	15,964	-	-	15,964	14,083	-	-	14,083
Promotional Tabloid	50,852	4,204	20,912	75,968	44,151	3,716	16,136	64,003
Code of Standards	33,535	-	53,111	86,646	27,908	-	48,492	76,400
Sundry income	2,730	275	738	3,743	2,075	164	403	2,642
Operating income	241,210	24,400	179,228	444,838	220,272	27,890	164,310	412,472
Non-operating income								
Subventions & College	152,386	80,719	73,590	306,695	144,421	82,638	75,296	302,355
Other income	-	-	-	-	-	-	10,000	10,000
Investment income	54	11	43	108	42	7	14	63
TOTAL INCOME	393,650	105,130	252,861	751,641	364,735	110,535	249,620	724,890
Operating Expenditure								
Direct costs	19,047	17,725	33,875	70,647	18,026	2,318	21,956	42,300
Direct staffing costs	97,831	45,666	84,556	228,053	94,075	46,092	67,561	207,728
Direct office costs	30,438	2,000	8,990	41,428	28,303	2,798	1,736	32,837
Other costs	71,294	1,958	2,826	76,078	58,900	1,268	1,988	62,156
Non-operating	138,075	12,414	51,544	202,033	130,647	8,670	91,685	231,002
Support costs								
Staff costs	53,687	9,256	31,179	94,122	44,054	12,695	21,012	77,761
Office overheads	28,413	6,743	24,687	59,843	19,345	4,115	15,333	38,793
	438,785	95,762	237,657	772,204	393,350	77,956	221,271	692,577
Governance								
Staff costs	7,296	991	3,793	12,080	5,948	823	2,551	9,322
Office overheads	6,114	356	3,116	9,586	6,394	522	4,016	10,932
TOTAL EXPENDITURE	452,195	97,109	244,566	793,870	405,692	79,301	227,838	712,831
Surplus/(deficit)	(58,545)	8,021	8,295	(42,229)	(40,957)	31,234	21,782	12,059

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2012

2 DETAILED ANALYSIS OF STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

Unipol Student Homes is split into the following areas of activity

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

Accommodation Bureaux (Leeds, Bradford and Nottingham) – are services provided to students funded by private owners' registration fees and grants received from various institutions. This service provides advice on general student accommodation issues. It is also used as a centre for advertising student accommodation in the private rented sector

Leeds receives funding from Leeds Metropolitan University, the University of Leeds, the Leeds Metropolitan Students' Union and Leeds University Union

Bradford receives funding from Bradford University and Bradford College

Nottingham receives funding from the Nottingham City Council, University of Nottingham, Nottingham Trent University, New College Nottingham and South Nottingham College

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

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

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

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

Website Affiliates – Unipol hosts the Unipol website for other organisations. The main source of income is annual fee income

AfS – Unipol has an agreement with Accommodation for Students (AfS) to develop a national accreditation scheme for off street student properties

Exceptional direct expense

Unipol agreed to pay Yorkshire Water a total of £140,000 to cover water charges at the Carlton Hill complex up to 9 November 2011. £22,000 had been accrued for the period to 31 July 2011

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2012

3. NET INCOMING RESOURCES

Net incoming resources are stated after charging/(crediting) the following

	2012	2011
	£	£
Auditors' remuneration	10,030	9,660
Interest payable	72,074	59,078
Operating leases and management agreements	2,417,954	2,417,711
Depreciation	594,135	600,536
Gain on disposal of asset	70	3,076
Directors' liability insurance	1,943	1,943
Interest receivable	(1,065)	(695)
	<u> </u>	<u> </u>

4. STAFF NUMBERS AND COSTS

	2012	2011
	No	No
Average number of full-time equivalent employees	40	41
	<u> </u>	<u> </u>

BREAKDOWN OF STAFF PER SECTION

Housing	21	20
Accommodation Bureaux & Code of Standards	12	13
National Code	2	2
Property Management	4	4
Conferences and ANUK	1	2
	<u> </u>	<u> </u>
TOTAL	40	41
	<u> </u>	<u> </u>

	£	£
Staff costs		
Wages and salaries	1,097,141	1,068,700
Employer's National Insurance	74,103	73,517
Employer's pension costs	148,962	134,298
	<u> </u>	<u> </u>
	1,320,206	1,276,515
	<u> </u>	<u> </u>

	2012	2011
	No	No
Employees receiving remuneration amounting to more than £60,000		
£60,000-£69,999	1	1
£80,000 - £89,999	-	1
£90,000 - £99,999	1	-
£110,000-£119,000	1	-
	<u> </u>	<u> </u>

Three higher paid employees (2011 two) had benefits accruing under the defined benefit pension scheme

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2012

4 STAFF NUMBERS AND COSTS (CONTINUED)

Payments to Board Members

	2012	2011
	£	£
Expenses were paid to the following Board members		
Dennis Hopper – Travel expenses as conference speaker	-	240
Mike Cole – Travel expenses as a Board Member	-	85
Mike Wilkinson - Consultancy	1,500	1,500
Mike Wilkinson – Travel expenses as a Board Member	-	36

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

The Charity purchased insurance costing £1,943 (2011 £1,943) to protect the Charity from loss arising from neglect or default of its trustees and officers

5. INTEREST PAYABLE AND SIMILAR CHARGES

Group and charity

	2012	2011
	£	£
Included in Unipol Housing expenditure		
Bank and other loans	<u>72,074</u>	<u>59,078</u>

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2012

6. TANGIBLE FIXED ASSETS

Group and charity

	Freehold land and buildings	Leasehold land and buildings				Fixtures and fittings	Unipol property furniture	Motor Vehicles	Assets in course of construction	Total
	£	Shay Street/ Holborn Terrace	Woodsley Terrace/ Mount Preston St	Other	£	£	£	£	£	£
Cost										
At 1 August 2011	4,464,688	1,256,598	652,655	2,333,003		855,597	507,490	7,325	2,817	10,339,250
Transfer	1,241	-	406	1		458	2,107	-	(4,458)	-
Additions	1,081,399	2,470	93,909	149,072		708	16,806	-	13,210	1,435,954
Disposals	-	-	-	-		-	(16,346)	-	-	(16,346)
At 31 July 2012	5,547,328	1,259,068	746,970	2,482,076		856,763	510,057	7,325	11,569	11,758,858
Accumulated depreciation										
At 1 August 2011	1,063,997	850,596	513,898	2,131,940		566,674	414,843	1,465	-	5,761,331
Charge for the year	241,054	51,090	75,648	68,669		82,307	34,117	1,465	-	594,135
Disposals	-	-	-	-		-	(15,790)	-	-	(15,790)
At 31 July 2012	1,305,051	901,686	589,546	2,200,609		648,981	433,170	2,930	-	6,339,676
Net book value										
At 31 July 2012	4,242,277	357,382	157,424	281,467		207,782	76,887	4,395	11,569	5,419,182
At 31 July 2011	3,400,691	406,002	138,757	201,063		288,923	92,647	5,860	2,817	4,577,919

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2012

7. INVESTMENTS HELD AS FIXED ASSETS

Group

Charity

On 2 June 2002, the Charity acquired 1 £1 ordinary share at par in Leeds Student Homes Limited, a company incorporated in the United Kingdom. This represents 100% of the issued share capital. The principal activity of the company is that of Accreditation. A summary of the results of the subsidiary is shown below.

	2012	2011
	£	£
Turnover	5,208	5,626
Interest receivable	1	-
Administrative expenses	(5,305)	9,765
Operating (loss)/profit	(96)	15,391
Deed of gift to Unipol Student Homes	-	-
(Loss)/Profit for the financial year	(96)	15,391

The aggregate of the assets, liabilities and funds was

	2012	2011
	£	£
Total assets	23,525	12,569
Total liabilities	(23,620)	(12,568)
	(95)	1
Represented by		
Called up share capital	1	1
Profit and loss account	(96)	-
	(95)	1

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

8. STOCKS

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Goods held for resale	11,612	-	-	-

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2012

9. DEBTORS

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Owed from subsidiary undertaking	-	-	21,460	11,264
Rents receivable	301,069	427,423	301,069	427,423
Other debtors	244,908	268,838	244,884	267,411
Taxation	29,733	389	29,733	-
Prepayments	263,113	158,422	262,614	158,422
	<u>838,823</u>	<u>855,072</u>	<u>859,760</u>	<u>864,520</u>

10. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Bank Overdraft	394,637	-	394,637	-
Loans	319,320	236,455	319,320	236,455
Returnable deposits	312,157	301,649	312,157	301,649
Trade creditors	143,888	114,820	143,888	114,820
Taxation and social security costs	265	2,610	22	2,610
Other creditors	255,266	382,931	255,266	382,931
Accruals	639,792	1,617,668	637,874	1,616,364
Deferred income	699,515	739,162	699,515	739,162
	<u>2,764,840</u>	<u>3,395,295</u>	<u>2,762,679</u>	<u>3,393,991</u>

ANALYSIS OF DEFERRED INCOME

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Rental income, energy and service charge income	222,322	229,546	222,322	229,546
Managed Owners income	198,520	240,245	198,520	240,245
Subventions, fees and funding income	277,774	258,043	277,774	258,043
Training income	899	1,820	899	1,820
AfS income	-	9,508	-	9,508
	<u>699,515</u>	<u>739,162</u>	<u>699,515</u>	<u>739,162</u>

All deferred income arose because invoices due for payment at the start of the next financial year were raised at the end of the previous financial year and are simply timing issues

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	1,671,627	1,006,988	1,671,627	1,006,988
Housing Association loans	254,472	291,339	254,472	291,339
	<u>1,926,099</u>	<u>1,298,327</u>	<u>1,926,099</u>	<u>1,298,327</u>

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2012

The bank loans are secured on the properties to which they relate. Two banks lend to Unipol with loans expiring between 2009 and 2021 and bear interest rates of 1.5% or 3% over base and a further bank lends to Unipol with loans expiring 2022 with interest rates between 3.37% and 3.66% over LIBOR. Housing Association loans expire 2019 and bear interest rate of 6%.

	Group and Charity	
	2012	2011
	£	£
Analysis of loan repayments		
Bank loans and other loans		
Within one year or on demand (see note 10)	319,320	236,455
Between one and two years	298,079	223,605
Between two and five years	840,688	586,861
After five years	787,332	487,861
	<u>2,245,419</u>	<u>1,534,782</u>

12 ANALYSIS OF GROUP ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted funds		Total	Total
	Designated funds	Undesignated funds	2012	2011
	£	£	£	£
Fixed assets	635,973	4,783,209	5,419,182	4,577,919
Current assets	-	899,814	899,814	1,649,296
Creditors amounts falling due within one year	-	(2,764,840)	(2,764,840)	(3,395,295)
Creditors amounts falling due after more than one year	-	(1,926,099)	(1,926,099)	(1,298,327)
	<u>635,973</u>	<u>992,084</u>	<u>1,628,057</u>	<u>1,533,593</u>

13 STATEMENT OF MOVEMENT ON RESERVES

Charity	Unrestricted funds Designated funds	Unrestricted funds Other charitable funds	Total funds
	£	£	£
At 1 August 2011	587,069	946,524	1,533,593
Net movement in funds	(176,071)	270,631	94,560
Transfers	224,975	(224,975)	-
At 31 July 2012	<u>635,973</u>	<u>992,180</u>	<u>1,628,153</u>

14 MOVEMENT IN CHARITY FUNDS

	Balance 1 August 2011	Income	Expenditure	Transfers	Balance 31 July 2012
	£	£	£	£	£
Unrestricted funds					
Designated funds					
Major works reserve	587,069	-	(176,071)	224,975	635,973
Undesignated funds					
Other unrestricted funds	946,524	7,215,225	(6,944,594)	(224,975)	992,180
Total unrestricted funds	<u>1,533,593</u>	<u>7,215,225</u>	<u>(7,120,665)</u>	<u>-</u>	<u>1,628,153</u>

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2012

Restricted funds

Accommodation Bureau and

Code of Standards

Bradford	-	43,756	(43,756)	-	-
Nottingham	-	113,905	(113,905)	-	-
ANUK Funds	-	4,831	(4,831)	-	-
Sponsorship	-	22,000	(22,000)	-	-
Total restricted funds	-	184,492	(184,492)	-	-
Total funds	1,533,593	7,399,717	(7,305,157)	-	1,628,153

15. CAPITAL COMMITMENTS

	2012	2011
	£	£
Authorised but not yet contracted for	<u>32,000</u>	<u>72,000</u>

16. LEASE COMMITMENTS

The Charity has operating lease commitments to pay during the next financial year in respect of property leases

	2012	2011
	£	£
Expiring between one and five years	229,848	221,600
Expiring after more than five years	<u>2,067,208</u>	<u>2,118,375</u>
	<u>2,297,056</u>	<u>2,339,975</u>

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

17. TAXATION

Unipol is a registered Charity and is exempt from income and corporation tax to the extent that income and gains are applicable and applied to charitable purposes only

18. PENSION SCHEMES

The Charity indirectly contributes to the Universities Superannuation Scheme and the University of Leeds Pension and Assurance Scheme. The schemes are defined benefit schemes for the benefit of the employees. The assets of the schemes are administered by Pension Scheme Trustees in funds independent from that of the Charity.

The valuation of Universities Superannuation Scheme showed that as at 31 March 2012 the scheme was in deficit.

The valuation of the University of Leeds Pension and Assurance Scheme as at 31 March 2012 showed the scheme was in deficit.

The pension cost for the year was £148,962 (2011 £134,298)

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2012

19. POST BALANCE SHEET EVENT

On 1 August 2012 in return for consideration of £69,000, Mary Morris International Residence Limited (Registry of Friendly Societies Number 17577R) transferred its assets, contracts and staff to Unipol Student Homes. The assets transferred were made up of:

1-11 Tannery Square, Leeds, LS6 4LT currently valued at £750,000

47 Cliff Road, Leeds, LS6 2ET currently valued at £500,000

26 Shire Oak Road, Leeds, LS6 2DE currently valued at £120,000

28 Shire Oak Road, Leeds, LS6 2DE currently valued at £145,000

Furthermore 24 Shire Oak Road, Leeds, LS6 2DE has been transferred to Unipol Student Homes on the understanding that it will be sold within three years and that 75% of the net proceeds will be gifted to the University of Leeds at that time.