

Charity registration: 1063492
Company registration: 3401440

UNIPOL STUDENT HOMES

Annual Report and Group Financial Statements

31 July 2019

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UNIPOL STUDENT HOMES

ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS 2019

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UNIPOL STUDENT HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

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BOARD

The Board comprises the following representatives:

The University of Leeds

Mr Ian Robertson, Head of Residential Accommodation

Deputy Chair (Partnerships) of Unipol

Mr Christopher Warrington

Mr David Robert Sladdin (resigned 30/06/2019)

Ms Catherine Cho (appointed 01/07/2019)

Contactable at University of Leeds, Leeds LS2 9JT

Leeds Beckett University

Mr David Collett, Head of Campus and Residential Service

Mr Stewart Harper (resigned 31/12/2018)

Ms Priscilla Preston

Ms Caroline Thomas (appointed 01/07/2019)

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

Leeds University Union

Mr Japhet Oladipo (Resigned 30/06/2019)

Mr Matthew Port (Resigned 30/06/2019)

Ms Amy Wells (appointed 01/07/2019)

Ms Catheryne Fairbairn (appointed 01/07/2019)

Ms Hannah Brian (appointed 10/08/2018)

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

Leeds Beckett University Students' Union

Mr Charles Hind (Resigned 30/06/2019)

Ms Jessica Carrier

Mr Ahmed Shire (appointed 01/07/2019)

Mr Martin Rushworth, Head of Finance

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

Bradford College

Vacant

Co-Opted Directors

Mr Michael Wilkinson (**Chair of Unipol**)

Mr Andrew William Welsh

Deputy Chair (Properties and Portfolio) of Unipol

Mr Daniel Saxton (appointed 01/07/2019)

Treasurer of Unipol

Ms Rachael Elliott (resigned 01/07/2019)

Ms Meri Braziel

Mr Michael Lees

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

UNIPOL STUDENT HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)

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

OFFICERS OF UNIPOL STUDENT HOMES

Mr M J Blakey	Chief Executive
Ms E Hodgen	Deputy Chief Executive (resigned 24/05/2019)
Ms N Verity	Deputy Chief Executive (appointed 24/04/2019) & Company Secretary (appointed 17/05/2019)
Ms C Rygalska	Director of Finance
Ms Rachel Campey	Assistant Chief Executive – Housing Services
Ms N Brown	Assistant Chief Executive - Hub Services
Mr A Livesey	Assistant Chief Executive - IT and Communications
Ms V Tolmie-Loverseed	Assistant Chief Executive – Standards

BANKERS

National Westminster Bank plc Leeds Commercial Office 4 th Floor 2 Whitehall Quay Leeds LS1 4HR	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	Lupton Fawcett Denison Till Stamford House Piccadilly York YO1 9PP	Hatch Legal 12 Park House 11 Park Row Leeds LS1 5HB	Walker Morris Kings Court 12 King Street Leeds LS1 2HL
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AUDITOR

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

TRUSTEES REPORT 2018-2019

The annual report and the audited financial statements are for the year ended 31st July 2019 in the 45th year of operation of Unipol Student Homes as a registered charity (two years after it was founded initially as part of the University of Leeds in 1973). On 1st August 1997 Unipol was incorporated as a charitable company limited by guarantee. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The current *Forward Look 2019-2022* was adopted by the trustees in December 2018 and this sets out the main strategic direction of the organisation for the next three years. Half of this financial year fits within this *Forward Look* period and it makes sense to review the year in the context of this *Forward Look*.

Values

As part of the *Forward Look* review process Unipol's values were reviewed and updated and remain a touchstone for all of its current and forthcoming activities. Those values are:

To be trusted - as a source of help and advice to both students and landlords who want to rent and provide good quality student accommodation that contributes to a great student experience.

To be impartial experts - giving student consumers information and advice, based on 40 years' experience in the sector, which empowers them to make good housing choices and get the best deal available. We establish, promote and publicise best practice in student accommodation.

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

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

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

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

To be transparent and accountable - being answerable, as a charity to our Board of trustees and to our users we make our agenda and operations as clear and open as we can.

These values are at the core of our actions.

Purposes, Activities and Public Benefit

The charity's objects are the advancement of education by providing and managing accommodation and related services for educational institutions, their students and other persons associated with educational institutions and to develop and foster excellence and expertise in this field. Students (and the institutions being supported) rate their living experience and the acquisition of life skills and personal development as a very important aspect of their overall education.

Unipol was founded in Leeds by trustees with a vision of a charity offering dedicated expertise in student housing. From the outset the charity has worked nationally with education institutions and housing providers to give students better information and help on available housing options and to champion

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TRUSTEES' REPORT

better housing standards which now takes place through local services based in Leeds, Nottingham and Bradford, although Leeds continues to be a principal focus of the charity's activities.

There are four main strands to *Unipol's mission*. Unipol:

- has its own Housing Section which develops, takes into ownership and manages refurbished properties and lets them directly to students. Unipol is currently responsible for housing around 3,000 students (including around 210 students with dependents, mainly families) located in Leeds, 300 students in Nottingham and 59 students in Bradford. This direct provision sits at the heart of the charity's operation and is a beacon of good practice for others working in the sector.
- runs three Housing Hubs providing expertise to assist both students and landlords and operates a number of websites, which centralise private sector vacancies. The websites are a major source of information and advice for students and receive around 100 million hits a year.
- runs a number of successful voluntary accreditation schemes (in Leeds, Nottingham and Bradford and two Government Approved Codes of Practice dealing with larger student developments in the United Kingdom) designed to maintain and improve property and management standards. Together these schemes cover an estimated 340,000 student bed spaces.
- is the main national trainer in the niche market of student accommodation, running a full annual programme. The training arm also undertakes some bespoke in house training and a number of briefings for different constituencies.

Because Unipol's own housing portfolio is so central to the activities of the charity, it is worth dwelling on how Unipol's values translate into *Housing Values* as a provider.

Unipol's stock has been acquired and shaped to meet the diverse needs of the student population. Unipol offers housing to all kind of students: undergraduates, postgraduates, international and UK students, first-years and returners, students under 18, couples, students with dependents and students with additional needs.

Unipol offers the best deal possible to its tenants as a not for profit provider:

- there are no fees or hidden charges
- students over the age of 18 are not asked to provide guarantors
- each student tenant gets an individual tenancy agreement, removing their liability for the acts or omissions of their co-tenants
- housing revenue goes to support investment in higher-quality properties and helps subsidise the advice and standards mission
- investment continues to improve the sustainability of properties with better infrastructure
- every two months tenants get detailed information on their energy use
- responsible energy use is incentivised
- where possible local traders are used to provide services and improve buildings.

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

The charity has three key mission components from which everything else flows:

- helping students to make the best decisions about their housing - empowering consumers with information, help and support to build both the knowledge and confidence to assist them in negotiating the housing market within which they operate and decide what to rent
- improving standards - making Unipol's housing an exemplar of what others can achieve, including through:
 - operating accreditation to encourage others to meet high and relevant standards, and checking that they do
 - administering a robust complaints system for students who find themselves in difficulty
 - advising on effective regulatory standards to complement and underpin what can be achieved

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- voluntarily helping peer-to-peer advice to be heard through virtual media; and
- the Rate Your Landlord review site, where shared experience can reward the good and shame the bad.
- importing its values into leading and assisting the student accommodation sector to evolve and improve.

Helping Students to Make the Best Decisions about their Housing

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

Unipol runs a number of successful web-based services in order to assist both students and landlords. Web-based services are in a process of constant shift and need updating to remain relevant to students, most of whom are now digital natives. In this year these shifts can be summarised as:

a 4% decline in users for <https://www.unipol.org.uk/> reflecting the growth of purpose built student accommodation whose owners have their own web-based services. This website, however, remains the central source of information to students in the three cities where Unipol works and is used by many others for advice and expertise.

The website is very popular and this year displayed details of 18,138 bed spaces 313,181 property searches were undertaken attracting 101,135 unique users. 1,192,614 adverts were viewed.

- a 64% rise in the number of reviews opened using the Rate Your Landlord service (a joint venture with Leeds University Union) <https://www.rateyourlandlord.org.uk/> where students benefit from peer-to-peer information about the service landlords offer their tenants as part of their house-hunting toolkit. This service is now in its fourth year and although it struggled in the opening year to attract reviews in this year a record 1,402 reviews were posted as the site reached its goal of being an important addition to tenant empowerment.
- a 34% growth in users for <https://www.unipolhousing.org.uk/> This site was launched in December 2016 and centralises information on Unipol's own portfolio and tenant advice.
- a 29% increase in users for <https://www.nationalcode.org/> the National Code website relating to Unipol's role as a regulator under the Housing Act 2004. The increase has seen greater use by housing providers of the on-line training course and has seen significant increased use in tenants checking to see whether their property falls under the relevant Code.
- a 4% decrease in users of <https://www.anuk.org.uk/> the national accreditation site offering help and guidance to those either running, or thinking of setting up, accreditation schemes in the UK. Despite the small reduction in users there has been a 3% increase in pages viewed as users spent longer on the site than previously.
- the Unipol Blog <https://blog.unipol.org.uk/> that operates as a more informal news site saw users increase by 11%.

These websites are supplemented by free-to-use Housing Hubs, where staff offer targeted advice and help and advice can be given by message, Web Chat and Skype.

All rented property operates in a market environment. There is currently tightening housing supply in Leeds (which will ease in the next year as more purpose built accommodation comes on line) and Nottingham (which has a student housing shortage which is likely to remain for the next three years). There is a significant surplus of accommodation in Bradford.

In these volatile markets Unipol's services, advice and peer-to-peer reviews allow students, who are increasingly clued-up and confident, to rent the best and reject the worst.

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Improving Standards

Accreditation is an important vehicle for improving standards. It is about persuading suppliers voluntarily to meet higher than regulatory standards, based on reasonable consumer expectations.

Unipol is a founder member of the accreditation movement and has designed and operates several Unipol Codes, which share a common core of standards. There are Codes geared to the specific housing and market conditions where Unipol works directly and there are two National Codes. Robust verification procedures are used to ensure Code compliance. The Codes offer accountability through a complaints system and dispute resolution through an independent Tribunal system. Three-yearly reviews, including broad consultation, ensure regular updating.

In Leeds 13,172, tenants benefit from the Leeds Code, in Nottingham 6,860 and in Bradford 304 tenants.

Whilst the membership of the local Codes covering off-street bed spaces is stable, there is considerable growth in the Codes covering purpose built student accommodation (PBSA) and Unipol currently accredits 331,725 (up from 319,000 last year) student bed spaces under these two Codes, with 157 members operating in 89 different locations in the UK.

In the last year Unipol undertook considerable work in consulting on some new obligations under the National Codes and the Homestay and Bradford Codes were both reviewed and updated.

Importing its Values into Leading and Assisting the Student Accommodation Sector to Evolve and Improve

This year Unipol has been more active in public policy discussion and formation. December 2018 saw the launch of the *Unipol/NUS Accommodation Cost Survey* <https://www.unipol.org.uk/acs2018.aspx>. The report, covering the whole of the PBSA sector throughout the UK, generated considerable interest and rekindled interest in affordability. The Augar Review <https://www.gov.uk/government/publications/post-18-review-of-education-and-funding-independent-panel-report> relied heavily on the report to raise affordability of housing as a significant concern in its report and the DfE have set up a Group (which Unipol is on) to look at this matter further.

Unipol also worked with the British Property Federation and Unite to bring out their recent publication on Student Wellbeing In Purpose-Built Student Accommodation:

<https://www.bpf.org.uk/sites/default/files/resources/Student%20Wellbeing%20-%20DIGITAL%20COPY%20v3%20%21.pdf>.

Unipol have used this as the basis for a wider consultation on new clauses that are to be inserted into the private providers National Code in March 2020.

Unipol has also responded to a welter of Government consultations seeking to address a number of issues identified by Ministers particularly the possible removal of Section 21 no fault evictions and rights to redress. Unipol have stressed that student tenants have special needs and must be treated as a special tenant group.

Unipol remains the main trainer in student accommodation. Its training ranges from hands-on advice for practitioners in the sector to the exploration of trends and solutions to emergent challenges, always with an emphasis on leading the sector towards best practice. Specific training was given dealing with the extension of licensing in the private sector and the implications of the Tenant Fees Act 2019 which saw booking fees in the student sector outlawed except in very limited circumstances. As Unipol has a policy of never charging fees this Act made little direct difference to Unipol as a supplier.

Strategic Report and Achievements and Performance - The 2018-2019 Year

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

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Overview

The charity experienced growth during the year with turnover increasing by 8.2% and a strong rental revenue performance. The proportion of income that Unipol generated through rent continued to increase. In 2016-2018 it was 83% and this year it rose to 87%. The attempted future proofing of Unipol's portfolio to secure its main income stream needs to be seen against a backdrop where its more traditional income from its Housing Hubs is all contracting and will continue to contract.

In this year the charity also absorbed a number of one-off costs: the cost of recruiting the Deputy Chief Executive, consultancy costs for the new housing management system StarRez, the Unipol/NUS Accommodation Cost Survey and the family housing review. There were also a significant number of one-off void costs associated with the refurbishing and repositioning of family housing which impacted on both income and expenditure.

Aside from financial performance there are a number of other measures that are useful in quantifying performance:

- two independent pieces of research were carried out in 2019. The first was the two yearly survey of family tenants where satisfaction was rated at 82.4%. Unipol's main annual single tenant satisfaction survey saw a satisfaction rating of 84%, higher than ever before. This is also the first time that single student housing has been rated higher than family housing. The research showed significant improvements consistently across the portfolio
- £9,780K of rental income was achieved from direct lettings to students (up £884K on the previous year)
- tenant retention increased from 26% last year to 33% this year
- complaints received fell from 20 in 2017-2018 to 16 and all were responded to within the defined timescales. There were 14 queries or complaints received in respect of the administration of deposits compared to 16 complaints in the previous year. Of these, 5 were upheld. No complaints were referred to the Dispute Resolution Service under the Deposit Protection Scheme maintaining Unipol's unbroken record of no referral of disputes for arbitration since the scheme's inception in 2005
- the overall *Rate Your Landlord* rating of Unipol remained at 4.3 out of 5.

There have been many developments during this year but a number of key changes are highlighted here and were flagged as being important areas for development in last year's report:

- family housing
- the portfolio
- financial administration
- human resources
- Nottingham
- Communications and IT.

Family Housing

Last year Unipol was mid-way through reviewing its family housing provision. That review concluded that families expected to be able to secure a house or flat online and they expected to have web access to good quality photographs or virtual tours to enable them to make an informed decision remotely and then to move in at the beginning of the academic year. Unipol's online services and business processes for allocating family accommodation were adapted to accommodate this shift in house hunting patterns and expectations among students with dependents and the following changes were implemented:

- advice and assistance for family tenants was improved and detailed web-based information made available to students with families on housing options, schooling and health in both Leeds and Nottingham

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- promotion of family properties was improved and "street view" tours of a typical flat and better photographs are now available online
- the use of University of Leeds underwrites has increased
- Unipol has re-priced its family portfolio for 2019-2020. Revised rents now reflect the size of the flat, the level of amenity and its proximity to the University campus
- rents have been regularised so that each complex now has rent inclusive of water charges and internet services (with Wi-Fi being installed) and with Unipol providing energy through its energy contracts and billing tenants monthly for their usage
- the annual social programme for family housing, which ceased in 2018, was restarted in June 2019 and an event will now be held each month.

All of this reduces the effort involved for newly arriving students who can now move into a pre-prepared and well-equipped furnished house that is ready for occupation. Generally, family housing is being upgraded to a higher product level with greater inclusivity of costs.

This has been a major exercise in 2018-2019 with the family housing stock being refocussed and occupancy underwritten by the University of Leeds:

- £220K was spent refurbishing Argie Avenue with this being completed in September 2019. These 24 flats have been re-leased from Leeds City Council for 15 years
- £202K was spent in total over on Shay Street/Holborn Terrace in a small refurbishment designed to maintain it over the next 4 years
- surprisingly, it was possible to keep the 10 family flats at Cardigan Road for a further 5 years in a way that has removed the previous ongoing deficit
- at Dyers Court refurbishment continued with 11 flats now being refurbished, together with all the communal areas. Other ad hoc replacements to plumbing, heating and electrical systems have been made in flats occupied by elderly residents as required. In total £503K has been spent on this development to date. The flats are now 50% occupied by students with dependents.

The allocation system for families is also undergoing change. Flats are now being offered to students ahead of their families arriving in the UK. This helps with visas and school allocations. This inevitably means that when families stop studying they need to find their own housing and not linger in Unipol properties. Unipol and the University of Leeds are targeting family housing on students studying within defined time periods. Family voids are now being closely monitored and allocations systems are improving.

The Portfolio

In 2017-2018 Unipol entered into a significant management agreement with Leeds Federated Housing Association (LFHA) and the main Agreement started on 1st September 2018. Since that time £442K has been spent on building works and the subsequent fit-out. The LFHA upgrades have been very popular and have linked into to a multi-agency Unipol led regeneration project for that small area of Leeds.

The BUR leased portfolio saw its second year of operation with a number of improvements made over the summer of 2018 and, for minor works, in tenanted properties throughout the year. £130K was spent (in addition to the monies contributed by BUR) in undertaking these works.

Unipol's own portfolio has been almost completely refurbished, seeing the end of a four year process. The challenge now is to maintain the high quality stock that has been developed.

In 2018-2019 Unipol spent almost £2m in maintaining standards and upgrading quality throughout its portfolio.

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Only one property was acquired in this year, *88 Rothesay Avenue in Nottingham*, a disappointing outcome following a number of unsuccessful offers being made.

Financial Administration

2018-2019 saw a "perfect storm" develop within the finance area. A new financial software system took longer than anticipated to work properly and in October 2018 the Finance Manager died unexpectedly and, as a result, the whole financial reporting system slowed down.

In response to these challenges, additional resources were made available to the finance team, not only to keep the show on the road, but more structural changes have also taken place with a new Finance Manager backed up by two Senior Finance Officers (rather than one) together with a redefinition of roles and functions within the team.

The finance team, led by the Director of Finance, have now shifted the backlog of work and analysis and by June 2019 much higher quality management information was being produced.

Cash flow has been a top priority of the financial system and the strategy of borrowing loan financing to cover ring-fenced refurbishment initiatives has worked well. The properties Unipol has either bought or has received as gifts has seen Unipol's loan to value rating with both of its lenders at 38% and 20% respectively and the charity has the ability, within its existing securitisation, to borrow just over £5m if it so wishes putting Unipol in a competitive position with funds available for future

Human Resources

This has been a year of very considerable change:

- following the retirement of our longstanding Deputy Chief Executive a new DCE was recruited with more operational responsibilities
- the Company Secretary role was moved to the Assistant Chief Executive - Standards as part of creating more operational room within the DCE post
- the addition of a Senior Finance Officer has already been mentioned, but in housing two new Housing Managers (Operations and Compliance and Logistics) were put in place and that system, operating through two Housing Team Leaders, has been reviewed and is working well. The new team is led by a relatively new Assistant Chief Executive - Housing who brought her own style to running the team and the tenant satisfaction survey results are a tribute to the standard and diligence of the work being undertaken by them and their team.
- the housing management system has been beefed up in Nottingham, ready for further growth.

Nottingham

The operation in Nottingham has always been somewhat fraught with partnership working never being fully achieved between both universities since Unipol's arrival.

Unipol's relationship with Nottingham Trent University (NTU) continues to improve and this needs to be seen in the context of the rapid growth of the University placing some stress on the student housing market. In the last year Unipol has undertaken more house hunting events and worked more closely with NTU on housing supply. A request for additional funding across 2019-2023 has been agreed and has secured £90K of grant aid.

Unipol took over the *Trent Lets* properties as NTU wound down that aspect of its operations, following a review led by Unipol. This meant a number of managed properties transferred, right at the end of this year, to Unipol's management worth £34K in commission to Unipol in the upcoming year.

Communications and IT

The charity's *Marketing, Web Operations and Social Media* were important areas for continuing investment and Unipol presented itself as a strong and consistent brand through newly stylised media outputs.

In IT services continued migrating to the Cloud and a great deal of preparatory work was undertaken for the introduction of the new StarRez Housing Management System which was made live on 30th May

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2019. During June 2019 the system was used for any new room applications, including allocations from Leeds Beckett University, Leeds Arts University and Leeds College of Music. Over 900 contracts were completed in StarRez by the end of September 2019. From 1st July 2019 staff in the Housing and Finance teams began to fully use the system to manage tenancies which includes communications, managing repairs and recording tenancy support issues.

Challenges and Disappointments

This has been a year with only limited disappointments, most of them relating to the Nottingham arena.

The failure to enter into a formal agreement with NTU on the forthcoming development leased in Talbot Street was a disappointment for a second year. The lack of engagement, even if there is change in the air, with the University of Nottingham remains a disappointment as does the lack of involvement by NTUSU.

One small, and rather irritating loss involved iD Apartments that left management following a change of ownership of the building having been successfully managed by Unipol for the last three years. The much lower conferences activity reflects a key member of staff on maternity leave and a change in the member of staff directly responsible for conferences: as a result Unipol not only reduced its activity by around 50% but missed some training opportunities it would have been good to take up. Hopefully, time will be found to increase activity this coming year with a new programme of events.

Financial Review

The charity's bottom line for 2019 shows a deficit of £66,786 after expenditure on major works of £410,395. The level of expenditure regarding the major works reserve is £134,000 higher than the contribution for the year. The major works reserve is designed to build resources for cyclical refurbishment and replacements in larger buildings and certain stages in their lifespan and this year saw an increase in the expenditure in excess of the contribution.

The result of a net income to Other Charitable Funds surplus of £67,214 with strong housing revenues, some £152K above an ambitious budget of £9,548K (excluding approximately £2m rentals that Unipol achieves within its managed property portfolio) was impressive, given the competitive market within which Unipol operates. The year also saw continued and significant investment in improving family housing.

The charity has total funds of £5,229,983 (2018: £5,296,769). The decrease due to the additional expenditure from the major works reserve reflected in the level of the major works reserve decreasing from £559,620 to £425,620 that includes an additional £40,000 set aside for the Charity's own properties. As previously mentioned the major works reserve was set up to cover future refurbishment works on longer term leased properties expenditure which will by its nature fluctuate from year to year.

Unipol now holds £4,804,363 (2018: £4,737,149) of its unrestricted funds in an undesignated form to offset cash demands within the organisation. The trustees and management considered the funding arrangements of the Charity during the year and continue to operate an overdraft arrangement for working capital requirements. Significant investment in the Charity's own assets and longer term lease properties is now by means of ring-fenced loan funding.

Charities of this type which are fixed asset rich and generate significant rental income on a monthly basis often have net current liabilities and consequently negative free reserves. The group has net current liabilities of £4.1m (2018: £3.7m) and is in a negative free reserves position, however; as part of management's going concern assessment it has produced cash flow forecasts that show adequate funding for the future, including the next 12 months.

The Policy on Reserves is that the charity will continue to accumulate its unrestricted funds to improve cash flow whilst investing in property to provide a strong and growing asset and reserves base (if liquidated) for the charity.

It is the Charity's intention to continue to improve its unrestricted reserves and reduce its net current liabilities over the medium term.

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Unipol's fixed assets increased by £864,266 in the year from £13,648,516 (2018) to £14,512,782. It is important to note that the year has absorbed a number of development risks and one-off costs (which will reoccur as the charity evolves and expands) whilst investing heavily in its own assets, communications and IT systems, providing a strong platform for future lettings and revenue generation to carry forward the charity's expansion mission within a realistic funding environment.

Future Plans

Towards the end of the first year of the Forward Look 2019-2022 there are a whole raft of developments that will be implemented in the forthcoming year and will then mature fully the year after that:

The Portfolio

Unipol's new leased development in Talbot Street Nottingham, now named "Sandhills" for 330 students in shared student flats represents a quantum leap for the Nottingham service. This year will see significant effort extended in final micro-design and delivery of a high class, affordable, product.

If some underwrite arrangement cannot be entered into by Nottingham Trent University then one of the main challenges this forthcoming year will be to fully let the building, notoriously difficult when the building is still under construction. A detailed marketing plan already is in place and, building on Unipol's lettings successes and the tight supply of good quality well-located student housing in Nottingham full letting should be achieved.

This first large-scale student building developed by Unipol in Nottingham will redefine the service Unipol can offer students there. The year is already seeing capacity increased within the Nottingham office to take on this additional load and a new Housing Team Leader has been relocated from Leeds to oversee this process. Other significant management arrangements for Norwich Union House and Global Properties have already been secured for the next three years providing some stability to housing supply in Nottingham.

Unipol has two possible developments taking shape in Leeds, Oak House (a development of 188 bed spaces) located in Little Woodhouse due to come on line in summer 2021 and Carlton Hill (a much larger development on the site of the existing Carlton Hill development for some 600+ students in partnership with the University of Leeds) due to come on line in summer 2023.

One of the great unknowns that will dominate rental income take for 2020-2021 is Carlton Hill. If the complex needs to close for demolition in the summer of 2020 then £1.3m will disappear from the rental income line. Although expenses will also reduce, Carlton Hill covers a number of overheads that cannot be reapportioned until 2021-2022. Although some leaseholder payment will be forthcoming as part of any new deal, Unipol's income and surplus will still shrink in 2020-2021 and the slack will need to be picked up by the rent from the rest of the portfolio (including Sandhills)

Both Oak House and Carlton Hill are still within a somewhat unpredictable planning regime and until planning is finally granted then nothing is certain.

Family Housing

Unipol has agreed with the University of Leeds to re-lease Woodsley Terrace from September 2019 and Unipol will spend £700K on upgrading the facilities in the next two years. The Grayson Heights family flats will also see some improvements. Unipol will need to look at re-leasing 16 family flats in Kirkstall with LCC where the current arrangement expires in April 2020.

There is still work to be done on implementing a joint database and allocations system with the University of Leeds, although this should become easier as both systems now operate on StarRez. There is also work to be completed on joint badging and signing underwritten University of Leeds family developments.

Unipol's smaller family houses (outside of complexes) are still to be fully reviewed under this strategy. Around 4 properties will still need extensive refurbishment if they are to remain within the portfolio and family house rents then need to be adjusted to be in line with inclusive rents charged in most complexes. Dyers Court and Tannery Square also need to be brought into line with other family complexes.

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

By the end of 2020 the transformation of the family portfolio should be complete and that section of the portfolio should be set fair for the next 5-10 years.

Acquisitions

This current year has been a poor one for purchasing properties. The next year will need to see Unipol using the £2m allocated under the *Forward Look* to purchase at least 4-6 properties located in both Leeds and Nottingham.

Student Support - Wellbeing and Mental Health

One of Unipol's main responses to the changing student cohort has been to invest greater resources in social activities, student care and mental health initiatives. Around £100K of additional staffing has been made available for 2019-2020 by having a more focussed *Tenancy Support and Wellbeing* post and a new *Delivery and Development Officer* who oversees, trains, recruits and inspires a larger team of *Residents Assistants*. Two additional part time resources have also been added in 2019-2020: a *Housing Advisor* (based in the Leeds Hub) and 40% of a post to back up the mental health and wellbeing capacity in tenancy support.

By 2020-2021 Unipol will have achieved its *Forward Look* ambition of training all of its staff appropriately in mental health first aid and will have a more coherent social and wellbeing programme for both family and single student tenants.

Changes in the Leeds Housing Hub

The recruitment of a specialist Housing Advisor will see Unipol's advice function grow and will bring some coherence to the Webchat service. The charges made to landlords will be simplified and a landlord clinic will be established.

The house hunting date is being moved forward to November and this has caused a whole raft of timetable changes to be made within the organisation. This earlier start date will also cause some uncertainty in Unipol's lettings information as week on week comparability will become difficult.

The details being displayed on the main Unipol website will be updated and the information made more relevant to modern needs, reducing the administrative burden for landlords and Unipol staff alike.

Rate Your Landlord

This service has now come of age in Leeds and RYL will now replace the starring system for differentiating between service levels rather than amenity levels and the old starred system will cease from October 2019. This service is also being rolled out to Warwick and it will be interesting to see whether Nottingham are willing to put the human and financial resources together to see a roll-out there.

Advocacy

Unipol is a national charity and works with its partners - particularly the National Union of Students and the British Property Federation - to promote student-focussed priorities in student accommodation.

Over the next year Unipol will produce a guide *Student Accommodation: Definitions for Policy Makers* providing a short briefing showing how the student accommodation sector works and why it is distinctive as an aid to future policy formation.

Unipol will also run a number of policy-related training events and provide on-going training focussed on spreading regulatory compliance and the promotion of good practice across the sector.

Improvements to Management and Administration

The full implementation of StarRez will take place this year and, as has been raised for many years, all tenants will then sign their agreements on line. The new software will enable repairs monitoring and costing to be undertaken with much greater accuracy. Around June 2020 Unipol is likely to implement some new Health and Safety software to establish a health and safety database.

Following the restructuring of the finance team an additional 50% fte Senior Finance Officer will be recruited to provide additional support in financial planning and monitoring.

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

Trustee Review

The Group on Governance will decide on a new system of trustee review to ensure that trustees have a clear understanding of their individual and collective role and of expectations about their contribution. The review process will identify any deficits and action to be taken to support performance as measured against the Statement of Maintenance of the Board. The new review process will be undertaken by external consultants to provide an element of impartiality. Over the next three years, the review process will be broadened out to include an assessment of the Board's effectiveness.

Structure, Government and Management

Structure

The charity is governed by a Board of Directors (who are also the trustees) 13 of whom are nominated by the five member institutions (the University of Leeds, Leeds Beckett University, Leeds Beckett University Students' Union, Leeds University Union and Bradford College). The Board can co-opt up to 6 further trustees and currently there are five co-opted trustees.

There are currently four trustees serving on the Board aged between 18-24 and this year the Board has almost achieved gender balance. The Board's overall role in accountability and governance of the charity is assisted by a number of committees and from time to time the Board establishes specific working groups or project groups to consider more detailed policy options open to them.

Governance - The Board

The Board met 6 times during the year with one meeting being followed by a Board visit to a selection of Unipol's properties and an "awayday" for trustees to consider the strategic direction and content of the new *Forward Look*.

The Board maintains a number of systems to ensure the maintenance and development of its effectiveness, including ensuring regular attendance at Board meetings and committee meetings. Attendance of Trustees at Board meetings is monitored and reported on Unipol's website. Attendance at meetings for the Board remains high: <https://www.unipol.org.uk/footer/governance/the-board/unipol-board-attendance>

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 and they also meet the Chair. 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. This information is held on the trustees secure area of the website:

<https://www.unipol.org.uk/my-unipol/trustees/documents/board-induction>

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 charity runs a trustee review process with trustees reviewing each other in a structured manner with the aim of improving both their contribution to the charity and their governance role.

Unipol's compliance and response to the *Charity Governance Code for Larger Charities* (that applies to Unipol) was reviewed. The latest compliance statement can be consulted at: <https://www.unipol.org.uk/footer/governance/corporate-documents-unipol-board/the-good-governance-code-for-the-voluntary-and-com>

Unipol has been without a Treasurer since Dr Andrew Brooks, the previous Treasurer, resigned in September 2017. It is pleasing to report that a new Treasurer has now been recruited with the co-option to the Board and appointment of Mr Dan Saxton for one year in the first instance with effect from 21st

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

June 2019. The trustee selection panel felt that Dan Saxton could offer a great deal to the Board, particularly in respect to his experience of working in the house building environment and understanding of property development.

Ms Liz Hodgen, the Deputy Chief Executive and Company Secretary left Unipol on 10th May 2019. She joined Unipol as a staff member from Leeds University Union in 2001 but had been a member of the Board representing the University Union from October 1994 and her association with the charity covered 25 years and the trustees reflected on her contribution to the charity which had been enormous.

Ms Nichola Verity was appointed Company Secretary Deputy Chief Executive in June 2019 having previously worked as CEO of People in Action (Yorkshire). Although the Company Secretary role was moved to the Assistant Chief Executive - Standards, during a period of maternity leave the DCE is also taking on this role.

Group on Governance

The *Group on Governance* was less active this year and met twice during this year making the following changes:

- the Leeds and Nottingham Managing Agents Code Membership Groups were unified under their respective Audit Panels and those Panels (Code Audit Panel Nottingham and the Code Audit Panel Leeds and Bradford) had their Terms of Reference updated
- all trustees now receive training in Equality and Diversity and the training programme was completed during the year
- the *Forward Look 2019-2022* confirmed that "induction will be expanded and deepened, and additional time will be made available to cover some of the basic elements of how to be an effective trustee. This process will be separated out from the current induction arrangements, which will continue to provide information about the charity's purpose and activities and about the responsibilities of staff within the organisation".
- a half day training session for new trustees was implemented from the end of this current year by NCVO so that trustees can participate fully and understand their responsibilities soon after joining the Board. This session was in addition to the existing one-day Unipol specific induction referred to earlier. It was also agreed that this should be trialed for two years to assess its impact, with the Group on Governance reviewing this in 2021.
- the new Charity Ethical Principles were also reviewed with this process being finalised at the beginning of the next year when a document setting out the principles together with a grid format response was developed showing compliance and adherence. This document was agreed in September 2019 and can be consulted here:
<https://www.unipol.org.uk/documents/governance/corporate-documents/ethical-principles.aspx>

Policies and Commitments

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

Health and Safety Policy for Housing

<https://www.unipol.org.uk/getattachment/Footer/Governance/Corporate-Documents-Unipol-Board/Health-and-Safety-Policy-for-Housing/Health-and-Safety-Housing-November-2019.pdf.aspx>

Health and Safety Policy for Offices and Staff (with track changes)

<https://www.unipol.org.uk/getattachment/Footer/Governance/Corporate-Documents-Unipol-Board/Health-and-Safety-Policy-for-Offices-and-Staff/Health-Safety-Policy-Offices-Staff-November-2019.pdf.aspx>

Unipol is a member of the *Leeds Rental Standard* and the *National Code for Larger Student Developments* and *The Nottingham Standard* (where, in its housing management role, it falls under the scrutiny of DASH) all of which provide external scrutiny of its own standards and performance.

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

Unipol continues to have all of its own and managed properties independently assessed under the *Housing Health and Safety Ratings System* (HHSRS) on a five year cycle and any points raised within these assessments are addressed.

Under the Housing Act 2004 many of Unipol's properties fall under mandatory licensing and a licence is issued for 5 years. In Nottingham both additional and selective licensing applies. Where necessary licenses have been acquired and no difficulties have been experienced in meeting the relevant standards. The holder of the licences has now been moved from an individual to the company.

Investment Powers

The Articles of Association of the charity permit wide powers of investment. The borrowing threshold set within the charity's powers is £15 million although the amount currently being borrowed at this time stood at £5,341,037 (2018: £4,850,493).

Principal Risks and Uncertainties

Unipol undertakes an annual *Risk Analysis* and, in the light of the considerable changes that take place within both the local property market and the general higher education environment throughout the year, revisions are made to that analysis.

The risk analysis was revised to take into account risks that have both reduced and increased over the last year. Red risks tended to relate to matters outside of Unipol's control and the Red Risks related to:

- a risk of damage and injury from fire
- a compromise of system applications
- inadequate senior management team capacity
- increases in legislative standards.

Two of these were new risks:

- inadequate senior management team capacity reflected the risk inherent in needing to replace the position of Deputy Chief Executive (*now appointed*)
- increases in legislative standards reflected the possibility of three year tenancies (*the Government decided not to proceed with that proposal*).

Two previously red risks were reduced:

- the risks from Brexit was reduced to amber, primarily because of the transitional arrangements that last until the end of 2020 and certain assurances given by the UK government in respect of EU funding and students
- the need to invest in long term building maintenance or incur unforeseen expenditure has reduced to amber as the after-effects of Grenfell on regulation (following the *Independent Review of Building Regulations and Fire Safety* by Dame Judith Hackitt in July 2018) have become more defined.

Many risks that have reduced relate to the view being taken for 2018-2019 and 2019-2020. If a longer view was taken then risk levels would inevitably increase, as would the effectiveness of responses. The value of the risk analysis is that it concentrates minds on risk that are apparent rather than map out uncertainty and vague responses to it in a way that would not be useful.

Other than the red risks there are no single risks that could not be contained. Only if there was a conjoining of several high risk impacts would the position be uncontrollable.

Unipol, along with the institutions and housing providers generally, live in an uncertain world where cost, supply and demand are all subject to significant variations on an annual basis and accurate long term planning horizons are difficult to achieve. Overall, however, organisational development and performance over the previous year have been strong.

Conclusion

The charity is now fully focussed on providing a city-wide first-class service to students, landlords, partners and tenants as it offers co-operation and collaboration to achieve better student housing, as only a specialised student housing agency can. It is having considerable success in improving its tenant

UNIPOL STUDENT HOMES

TRUSTEES' REPORT

satisfaction and widening out its services to an increasing number of students whilst having increasing influence in the public realm.

This next year presents a real opportunity to continue building Unipol's operational infrastructure whilst planning for significant growth the year after that. Unipol's values, already centre stage, will be given even greater weight to our supporters and tenants as will Unipol's policies on fairness. Family housing will once again find its correct place within Unipol's housing supply.

The biggest gains this year, aside from a growing and developing portfolio, will be the added value to be extracted from the new financial system (and team) and StarRez, allowing additional resources to be redirected to student support. By the end of the year, management information will provide a much more solid base for change: the assertion of value for money criteria, better financial information and better information on Unipol's worth and resources with greater forward financial planning. This will provide a strong foundation for continued growth and development after Brexit.

UNIPOL STUDENT HOMES

TRUSTEES' REPORT STATEMENT OF TRUSTEES' RESPONSIBILITIES

Statement of responsibilities of the Trustees of Unipol Student Homes Limited in respect of the Trustees' annual report and the financial statements

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

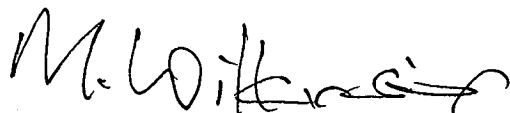
Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors and signed on behalf of the Board on 17 December 2019 by



Mr Michael Wilkinson



Mr Daniel Saxton

155/157 Woodhouse Lane, Leeds, LS2 3ED



KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

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

Opinion

We have audited the financial statements of Unipol Student Homes ("the charitable company") for the year ended 31 July 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2019 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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the charitable company or to cease their operations, and as they have concluded that the group and charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the group's business model,



including the impact of Brexit, and analysed how those risks might affect the group and charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the charitable company will continue in operation.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the 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 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

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 20, 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Clare Partridge'.

Clare Partridge (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

17 December 2019

UNIPOL STUDENT HOMES
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 July 2019

	Note	Unrestricted funds	Restricted funds	Total 2019	Total 2018
		£	£	£	£
Income					
Charitable activities	4	11,209,996	85,341	11,295,337	10,437,297
Other trading activities	5	-	18,000	18,000	18,000
Investments	6	622	-	622	448
Total Income		11,210,618	103,341	11,313,959	10,455,745
Expenditure					
Charitable activities	7	11,277,404	103,341	11,380,745	10,325,974
Total Expenditure		11,277,404	103,341	11,380,745	10,325,974
Net (Deficit)/Income	10	(66,786)	-	(66,786)	129,771
Net (Expenditure)/Income to Designated funds		(134,000)	-	(134,000)	92,286
Net Income to Other Charitable funds		67,214	-	67,214	37,485
NET MOVEMENT IN FUNDS		(66,786)	-	(66,786)	129,771
Total funds brought forward at 1 August	21	5,293,581	-	5,293,581	5,163,810
Total funds carried forward at 31 July	21	5,226,795	-	5,226,795	5,293,581

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

All income and expenditure derive from continuing activities.

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

UNIPOL STUDENT HOMES
CONSOLIDATED AND CHARITY BALANCE SHEET
31 July 2019

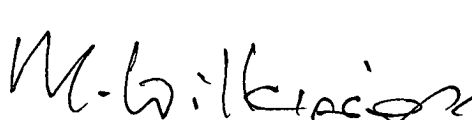
	Note	2019 Group £	2018 Group £	2019 Charity £	2018 Charity £
FIXED ASSETS					
Tangible assets	14	14,512,782	13,648,516	14,512,782	13,648,516
Investment	15	-	-	1	1
		<u>14,512,782</u>	<u>13,648,516</u>	<u>14,512,783</u>	<u>13,648,517</u>
CURRENT ASSETS					
Stock	16	22,738	10,524	22,738	10,524
Debtors	17	1,112,306	1,281,894	1,115,493	1,285,081
Cash at bank and in hand		77,516	212,800	77,516	212,800
		<u>1,212,560</u>	<u>1,505,218</u>	<u>1,215,747</u>	<u>1,508,405</u>
CREDITORS: amounts falling due within one year	18	<u>(5,321,244)</u>	<u>(5,184,578)</u>	<u>(5,321,244)</u>	<u>(5,184,578)</u>
NET CURRENT LIABILITIES		<u>(4,108,684)</u>	<u>(3,679,360)</u>	<u>(4,105,497)</u>	<u>(3,676,173)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,404,098</u>	<u>9,969,156</u>	<u>10,407,286</u>	<u>9,972,344</u>
CREDITORS: amounts falling due after more than one year	19	<u>(5,177,303)</u>	<u>(4,675,575)</u>	<u>(5,177,303)</u>	<u>(4,675,575)</u>
		<u>5,226,795</u>	<u>5,293,581</u>	<u>5,229,983</u>	<u>5,296,769</u>
FUNDS					
Unrestricted funds:					
Designated funds	20/21/22	425,620	559,620	425,620	559,620
Other Charitable funds	20/21/22	4,801,175	4,733,961	4,804,363	4,737,149
		<u>5,226,795</u>	<u>5,293,581</u>	<u>5,229,983</u>	<u>5,296,769</u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for the circulation to members of the company.

The notes at pages 26 to 41 form part of these accounts

These financial statements were approved by the Board on 17 December 2019

Signed on behalf of the Board


M Wilkinson


D Saxton

UNIPOL STUDENT HOMES
CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 July 2019

	Note	2019 £	2018 £
Net cash inflow from operating activities	A	1,279,144	1,645,492
Returns on investments and servicing of finance	B	(189,815)	(135,493)
Capital expenditure	C	(1,966,185)	(3,223,277)
Net cash (outflow) before use of financing		(876,856)	(1,713,278)
Management of financing	D	741,572	1,872,381
(Decrease)/Increase in cash	E	(135,284)	159,103

NOTES TO CASH FLOW STATEMENT:

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

	2019 £	2018 £
(Outgoing)/Incoming resources for the year before unrealised gains	(66,786)	129,771
Interest receivable	(622)	(448)
Interest payable	195,552	142,689
Depreciation charges	1,101,919	892,903
Asset Gifted to Charity	-	-
Fixed assets disposals	-	-
Increase in stock	(12,214)	(6,322)
Decrease/(Increase) in debtors	169,588	(270,632)
(Decrease)/Increase in creditors	(108,293)	757,531
Net cash inflow from operating activities	1,279,144	1,645,492

B. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2019 £	2018 £
Interest received	622	448
Interest paid	(190,437)	(135,941)
Net cash outflow on investments and servicing of finance	(189,815)	(135,493)

C. NET CAPITAL EXPENDITURE

	2019 £	2018 £
Purchase of fixed assets	(1,966,185)	(3,223,277)
	(1,966,185)	(3,223,277)

D. MANAGEMENT OF FINANCING

	2019 £	2018 £
Increase in overdraft	251,027	673,251
Increase in bank loans	490,545	1,233,310
Decrease in other loans	-	(34,180)
Net cash inflow from financing	741,572	1,872,381

UNIPOL STUDENT HOMES
CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 July 2019

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

	2019	2018
	£	£
(Decrease)/Increase in cash in the year	(135,284)	159,103
Cash inflow from financing	(741,571)	(1,872,381)
	(876,855)	(1,713,278)
Movement in debt in the year	(876,855)	(1,713,278)
Net debt at 1 August	(5,711,349)	(3,998,071)
Net debt at 31 July	(6,588,204)	(5,711,349)

Analysis of net debt

	1 August	Cash flow	Non-Cash	31 July
	2018		Movement	2019
	£	£	£	£
Cash at bank and in hand	212,800	135,284	-	77,516
Increase in overdraft	(1,073,656)	(251,027)	-	(1,324,683)
Debt due within one year	(806,811)	21,839	-	(784,972)
Debt due after one year	(4,043,682)	(512,383)	-	(4,556,065)
	(5,711,349)	(876,855)	-	(6,588,204)

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

UNIPOL STUDENT HOMES
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2019

1. ACCOUNTING POLICIES

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

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

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 2019.

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

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 FINANCIAL STATEMENTS
Year ended 31 July 2019

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 represents a provision for future capital expenditure on large complexes.

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

Unrestricted funds – Other Charitable funds

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

Restricted funds

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

Incoming resources

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

Operating leases

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

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 10. General office costs, IT expenditure and staff costs are attributed according to the estimated time spent on each activity. Depreciation costs are attributed according to the use made of the underlying assets. Other finance charges are attributed according to the level of activity.

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.

Taxation

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

UNIPOL STUDENT HOMES
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2019

1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings more than £1,000 together with expenditure on computer equipment, fixtures and fittings, furniture and motor vehicles more than £1,000 is capitalised and carried in the balance sheet at historical cost.

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

Depreciation

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

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

Assets under the course of construction

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

Investments

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

Pension schemes

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

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2019

2. LEGAL STATUS OF THE CHARITY

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

3. FINANCIAL PERFORMANCE OF THE CHARITY

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

The summary financial performance of the charity alone is:

	Total 2019	Total 2018
	£	£
Income		
Charitable activities	11,295,337	10,437,297
Other trading activities	18,000	18,000
Investments	622	448
Total Income	11,313,959	10,455,745
Expenditure		
Charitable activities	(11,380,745)	(10,325,974)
Total Expenditure	(11,380,745)	(10,325,974)
Net (Expenditure)/Income	(66,786)	129,771
Gain on disposal of tangible assets	-	-
NET MOVEMENT IN FUNDS	(66,786)	129,771
Total funds brought forward at 1 August	5,296,769	5,166,998
Total funds carried forward at 31 July	5,229,983	5,296,769
Represented by:		
Unrestricted income funds	5,229,983	5,296,769
	5,229,983	5,296,769

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2019

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2019 £	Unrestricted £	Restricted £	2018 £
Unipol Housing	9,831,420	-	9,831,420	8,913,431	-	8,913,431
Housing Hubs	491,989	46,241	538,230	524,973	46,241	571,214
Code of Standards	125,229	39,100	164,329	84,417	39,100	123,517
National Code of Standards	485,173	-	485,173	402,064	-	402,064
Property Management	216,503	-	216,503	329,745	-	329,745
Conference	59,682	-	59,682	97,326	-	97,326
	<u>11,209,996</u>	<u>85,341</u>	<u>11,295,337</u>	<u>10,351,956</u>	<u>85,341</u>	<u>10,437,297</u>

Unipol Student Homes is split into the following areas of activity:

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

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

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

Bradford receives funding from Bradford University and Bradford College.

Nottingham receives funding from the Nottingham City Council and Nottingham Trent University.

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

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

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

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

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2019

5. INCOME EARNED FROM OTHER ACTIVITIES

	2019 £	2018 £
Sponsorship	<u>18,000</u>	<u>18,000</u>
	<u>18,000</u>	<u>18,000</u>

During the year the Charity received sponsorship from CRM Ltd to support the conference and educational activities of the Charity.

6. INVESTMENT INCOME

The group's investment income of £622 (2018: £448) arises from money held in interest bearing bank accounts.

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unipol Housing £	Housing Hubs £	Code of Standards £	National Code of Standards £	Property Management £	Conference £	Total £
Direct Costs	1,672,650	86,992	50,004	155,021	23,106	31,457	2,019,230
Repairs & Refurbs	1,468,236	22	-	-	17	1,142	1,469,417
Staffing	748,728	125,000	60,688	147,226	130,092	19,151	1,231,385
Lease & Management charges	3,592,040	-	-	-	-	-	3,592,040
Major Works	410,395	-	-	-	-	-	410,395
Loan interest	195,552	-	-	-	-	-	195,552
Depreciation	965,463	-	-	-	-	-	965,463
Support	768,158	377,288	67,179	110,231	60,034	18,475	1,401,365
Governance	<u>50,103</u>	<u>14,098</u>	<u>3,057</u>	<u>21,087</u>	<u>6,138</u>	<u>1,415</u>	<u>95,898</u>
	<u>9,871,325</u>	<u>603,900</u>	<u>180,928</u>	<u>373,940</u>	<u>219,387</u>	<u>71,640</u>	<u>11,380,745</u>

Expenditure on charitable activities was £11,380,745 (2018: £10,325,974) of which £11,277,404 (2018: £10,222,633) was unrestricted and £103,341 (2018: £103,341) was restricted.

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2019

8. SUMMARY ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES

The table shows the cost of the six main charitable activities and the sources of income directly to support those activities.

	Unipol Housing £	Housing Hubs £	Code of Standards £	National Code of Standards £	Property Management £	Conference £	Total £
Costs	(9,871,325)	(603,900)	(180,928)	(433,565)	(219,387)	(71,640)	(11,380,745)
Rent	9,780,724	-	-	-	(505)	-	9,780,219
Subventions & College Fees	-	235,801	39,100	-	-	-	274,901
Fees	-	181,910	125,229	451,469	21,410	57,515	837,533
Membership Fees	-	29,980	-	-	-	2,167	32,147
Commission	-	-	-	-	191,758	-	191,758
Tabloid	-	14,594	-	-	-	-	14,594
Sundry Income	<u>50,696</u>	<u>75,945</u>	<u>-</u>	<u>33,704</u>	<u>3,840</u>	<u>-</u>	<u>164,185</u>
Net Cost	<u>(39,905)</u>	<u>(65,670)</u>	<u>(16,599)</u>	<u>51,608</u>	<u>(2,884)</u>	<u>(11,958)</u>	<u>(85,408)</u>

9. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the six main charitable activities undertaken (see note 8) in the year. Refer to the table below for the analysis of support and governance costs and the comments beneath for the basis of apportionment.

	Support £	Governance £	Total £
General Office Costs	301,294	-	301,294
IT Expenditure	226,886	-	226,886
Staff Costs	668,731	62,148	730,879
Depreciation	136,456	-	136,456
Other Finance Charges	67,998	-	67,998
Audit	-	<u>33,750</u>	<u>33,750</u>
Net Cost	<u>1,401,365</u>	<u>95,898</u>	<u>1,497,263</u>

General office costs, IT expenditure and staff costs are attributed according to the estimated time spent on each activity. Depreciation costs are attributed according to the use made of the underlying assets. Other finance charges are attributed according to the level of activity.

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2019

10. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2019 £	2018 £
Auditor's remuneration: audit of these financial statements	33,750	22,949
Interest payable	195,552	142,689
Operating leases and management agreements	3,694,438	3,300,570
Depreciation on tangible fixed assets	1,101,919	877,484
Directors' liability insurance	3,136	345
Interest receivable	(622)	(448)
	<u> </u>	<u> </u>

11. STAFF NUMBERS AND COSTS

	2019 No	2018 No
Average number of full-time equivalent employees	50	49
	<u> </u>	<u> </u>

BREAKDOWN OF STAFF PER SECTION

Housing	29	26
Housing Hubs & Code of Standards	11	12
National Code	4	3
Property Management	5	7
Conferences and ANUK	1	1
	<u> </u>	<u> </u>
TOTAL	50	49
	<u> </u>	<u> </u>

Average number of employees	71	68
	<u> </u>	<u> </u>

BREAKDOWN OF STAFF PER SECTION

Housing	44	37
Housing Hub & Code of Standards	16	16
National Code	4	3
Property Management	6	11
Conferences and ANUK	1	1
	<u> </u>	<u> </u>
TOTAL	71	68
	<u> </u>	<u> </u>

	2019 £	2018 £
Staff costs		
Wages and salaries	1,618,548	1,543,626
Employer's National Insurance	132,299	130,356
Employer's pension costs (see note 25)	186,416	184,258
	<u> </u>	<u> </u>
	1,937,263	1,858,240
	<u> </u>	<u> </u>

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2019

11. STAFF NUMBERS AND COSTS (CONTINUED)

Employees receiving remuneration amounting to more than £60,000	2019 No	2018 No
£70,000 - £79,999	2	1
£80,000 - £89,999	-	1
£110,000 - £119,999	-	1
£120,000 - £129,999	1	-

Three higher paid employees (2018: three) had benefits accruing under the defined benefit pension scheme.

The key management personnel of the Charity comprise the trustees, the Chief Executive, Deputy Chief Executive, Director of Finance, Assistant Chief Executive - Housing Services, Assistant Chief Executive - Hub Services, Assistant Chief Executive - Communication and IT, Assistant Chief Executive - Standards and Delivery Officer. The total employee benefits of the key management personnel were £515,327 (2018: £508,735).

Payments to Board Members

	2019 £	2018 £
Rachael Elliot – Consultancy	-	2,940
Andrew Welsh – Consultancy	13,394	11,824
Michael Wilkinson – Travel expenses as a Board Member	216	347
Rachael Elliot - Travel expenses as a Board Member	266	306
Andrew Brooks - Travel expenses as a Board Member	-	347

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

The Charity purchased insurance costing £3,136 (2018: £345) to protect the Charity from loss arising from neglect or default of its trustees and officers.

12. CORPORATION TAXATION

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13. INTEREST PAYABLE AND SIMILAR CHARGES

Group and charity

	2019 £	2018 £
Included in Unipol Housing expenditure:		
Bank and other loans	195,552	142,689

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2019

14. TANGIBLE FIXED ASSETS

Group and charity

	Freehold land and buildings £	Leasehold land and buildings £	Computer equipment £	Fixtures and fittings £	Unipol property furniture £	Motor Vehicles £	Assets under the course of construction £	Total £
Cost								
At 1 August 2018	15,369,298	7,319,136	906,068	822,141	656,412	53,046	112,218	25,238,319
Transfer	68,651	43,567	-	-	-	-	(112,218)	-
Additions	648,023	1,024,299	88,649	48,819	114,196	-	42,199	1,966,185
Disposals	-	-	-	-	-	-	-	-
At 31 July 2019	16,085,972	8,387,002	994,717	870,960	770,608	53,046	42,199	27,204,504
Accumulated depreciation								
At 1 August 2018	4,464,383	4,998,880	678,543	816,555	605,436	26,006	-	11,589,803
Transfer	-	-	-	-	-	-	-	-
Charge for the year	436,308	556,574	94,857	961	7,311	5,908	-	1,101,919
Disposals	-	-	-	-	-	-	-	-
At 31 July 2019	4,900,691	5,555,454	773,400	817,516	612,747	31,914	-	12,691,722
Net book value								
At 31 July 2019	11,185,281	2,831,548	221,317	53,444	157,861	21,132	42,199	14,512,782
At 31 July 2018	10,904,915	2,320,256	227,525	5,586	50,976	27,040	112,218	13,648,516

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2019

15. INVESTMENTS HELD AS FIXED ASSETS

Group

Charity

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

	2019	2018
	£	£
Turnover	-	-
Interest receivable	-	-
Administrative expenses	-	-
Operating (loss)/profit	-	-
Deed of gift to Unipol Student Homes		
(Loss)/Profit for the financial year	-	-

The aggregate of the assets, liabilities and funds was:

	2019	2018
	£	£
Total assets	-	-
Total liabilities	(3,187)	(3,187)
	(3,187)	(3,187)
Represented by:		
Called up share capital	1	1
Profit and loss account	(3,188)	(3,188)
	(3,187)	(3,187)

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

16. STOCKS

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Furniture	22,738	10,524	22,738	10,524
Goods held for resale	-	-	-	-
	22,738	10,524	22,738	10,524

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2019

17. DEBTORS

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Owed from subsidiary undertaking	-	-	3,187	3,187
Rents receivable	50,069	45,358	50,069	45,358
Other debtors	523,703	662,819	523,703	662,819
Prepayments and accrued income	538,534	573,717	538,534	573,717
	1,112,306	1,281,894	1,115,493	1,285,081

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Overdraft	1,324,683	1,073,656	1,324,683	1,073,656
Loans (see note 19)	784,972	806,811	784,972	806,811
Returnable deposits	438,915	456,556	438,915	456,556
Trade creditors	626,019	681,111	626,019	681,111
Taxation and social security costs	36,411	64,242	36,411	64,242
Other creditors	255,844	326,214	255,844	326,214
Accruals	1,022,749	1,045,821	1,022,749	1,045,821
Deferred income (see below)	831,651	730,167	831,651	730,167
	5,321,244	5,184,578	5,321,244	5,184,578

ANALYSIS OF DEFERRED INCOME

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Rental income, energy and service charge income	473,450	411,050	473,450	411,050
Contribution from Landlords towards capital works	102,398	79,140	102,398	79,140
Subventions, fees and funding income	255,803	239,977	255,803	239,977
Training income				
	831,651	730,167	831,651	730,167

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

UNIPOL STUDENT HOMES
NOTES TO THE GROUP FINANCIAL STATEMENTS
Year ended 31 July 2019

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

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Bank loans	4,556,065	4,043,682	4,556,065	4,043,682
Deferred Income	621,238	631,893	621,238	631,893
	<u>5,177,303</u>	<u>4,675,575</u>	<u>5,177,303</u>	<u>4,675,575</u>

The bank loans are secured on a number of properties within the portfolio. One bank lends to Unipol with loans expiring between 2020 and 2029 and bear interest rates of 2.28% or 2.5% over base with one loan at a fixed rate of 3.32% and two further loans at a fixed rate of 3.87%. A further bank lends to Unipol with loans expiring between 2022 and 2030 with interest rates between 2.65% and 3.7% over LIBOR with one loan at a fixed rate of 4.14% and one at 4.11%.

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

	Group and Charity	
	2019	2018
	£	£
Analysis of loan repayments		
Bank loans and other loans		
Within one year or on demand (see note 18)	784,972	806,811
Between one and two years	729,769	659,190
Between two and five years	1,866,830	1,676,456
After five years	1,959,466	1,708,036
	<u>5,341,037</u>	<u>4,850,493</u>

20. ANALYSIS OF GROUP ASSETS AND LIABILITIES BETWEEN FUNDS

	Unrestricted funds		Total	Total
	Designated funds	Undesignated funds	2019	2018
	£	£	£	£
Fixed assets	-	14,512,782	14,512,782	13,648,516
Current assets	425,620	786,940	1,212,560	1,505,218
Creditors: amounts falling due within one year	-	(5,321,244)	(5,321,244)	(5,184,578)
Creditors: amounts falling due after more than one year	-	(5,177,303)	(5,177,303)	(4,675,575)
	<u>425,620</u>	<u>4,801,175</u>	<u>5,226,795</u>	<u>5,293,581</u>

21. STATEMENT OF MOVEMENT ON RESERVES

Charity	Unrestricted funds: Designated funds	Unrestricted funds: Other charitable funds	Total funds
	£	£	£
At 1 August 2018	559,620	4,737,149	5,296,769
Net movement in funds	(410,395)	343,609	(66,786)
Transfers	276,395	(276,395)	-
At 31 July 2019	<u>425,620</u>	<u>4,804,363</u>	<u>5,229,983</u>

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Group	Unrestricted funds: Designated funds £	Unrestricted funds: Other charitable funds £	Total funds £
At 1 August 2018	559,620	4,733,961	5,293,581
Net movement in funds	(410,395)	343,609	(66,786)
Transfers	276,395	(276,395)	-
At 31 July 2019	425,620	4,801,175	5,226,795

22. MOVEMENT IN CHARITY FUNDS

	Balance 1 August 2018 £	Income £	Expenditure £	Transfers £	Balance 31 July 2019 £
Unrestricted funds					
Designated funds:					
Major works reserve	479,620	-	(410,395)	236,395	305,620
Dispersed Houses reserve	80,000	-	-	40,000	120,000
	559,620	-	(410,395)	276,395	425,620
Undesignated funds:					
Other unrestricted funds	4,737,149	11,210,618	(10,867,009)	(276,395)	4,804,363
Total unrestricted funds	5,296,769	11,210,618	(11,277,404)	-	5,229,983
Restricted funds					
Housing Hubs and Code of Standards:					
Bradford	-	25,000	(25,000)	-	-
Nottingham	-	60,341	(60,341)	-	-
Sponsorship	-	18,000	(18,000)	-	-
Total restricted funds	-	103,341	(103,341)	-	-
Total funds	5,296,769	11,313,959	(11,380,745)	-	5,229,983

The Restricted Funds are:

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

Housing Hub and Code of Standards - Nottingham - This is £21,241 from Nottingham Trent University to run the Hub and £39,100 from Nottingham City Council to run accreditation in Nottingham.

Sponsorship - This is sponsorship funding for the conference section.

Transfers

The movement of £276,395 represents a transfer from the general reserve to the designated reserves for major works and works to dispersed houses.

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23. CAPITAL COMMITMENTS

	2019	2018
	£	£
Unipol had contracted commitments at 31st July for future capital projects totalling	48,859	160,748

24. LEASE COMMITMENTS

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

	2019	2018
	£	£
Expiring within one year	6,167	45,253
Expiring between one and five years	1,791,911	1,956,722
Expiring after more than five years	34,945,171	37,660,550
	36,743,249	39,662,525

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

25. PENSION SCHEMES

The charity is not a member of the University Superannuation Scheme (USS) or the University of Leeds Pension and Assurance Scheme (PAS) and has no obligation for past deficits but indirectly contributes to the schemes and one other principal pension scheme for the Charity's staff, the University of Leeds Defined Contribution Plan (DC Plan). The assets of the schemes are held in separate trustee-administered funds. USS and PAS are defined benefit schemes which are externally funded and are valued every three years by actuaries, the rates of contribution payable being determined by the trustees on the advice of the actuaries.

The DC Plan, which was introduced from 1 March 2013, is the main auto-enrolment vehicle for staff. The investment of scheme contributions for the DC Plan is managed by The People's Pension.

The valuation of Universities Superannuation Scheme showed that as at 31 March 2014 the scheme was in deficit.

The valuation of the University of Leeds Pension and Assurance Scheme as at 31 March 2017 showed the scheme was in surplus.

The pension cost for the year was £186,416 (2018: £184,258).

26. Post Balance Sheet Events

On 6th September 2019 an Agreement to Lease for a ten year term was signed with the University of Leeds for Woodsley Terrace (all) and Mount Preston Street (evens) – consisting of 32 family flats at an initial lease fee of £9,797 per annum. There is an obligation to undertake capital works to the value of £697K commencing from and including 4th September 2019. The University of Leeds will nominate families and indemnify the Charity against arrears and voids in excess of three weeks.

On 16th August 2019 a five year lease was signed with Yorkshire Housing Association for ten family flats at 262-280 Cardigan Road at an initial lease fee of £11K per annum and an obligation to undertake capital works to the value of £72,000. The lease commenced on 17th September 2019.

On 1st September 2019 an Underwrite Agreement for three years was signed by the University of Leeds to underwrite 110 student bedspaces in shared flats at Grayson Heights at an initial rent of

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£458,888 per annum and 25 family flats at an initial rent of £577 per month. The underwrite commenced on 1st August 2019.

On 1st September 2019 an Underwrite Agreement for four years was signed by the University of Leeds to underwrite 56 family flats at Shay Street and Holborn Terrace at opening rents between £650 and £712 per calendar month. The underwrite commenced on 1st August 2019.

On 1st September 2019 an Underwrite Agreement for fifteen years was signed by the University of Leeds to underwrite twenty four family flats at 175 -197 and 199-221 Argie Avenue (Odd numbers only) at opening rents between £686 to £746 per calendar month. The underwrite commenced on 1st September 2019.

On 1st September 2019 an Underwrite Agreement for five years was signed by the University of Leeds to underwrite 10 family flats at 262-280 Cardigan Road at opening rents of £660 and £700 per calendar month. The underwrite commenced on 1st September 2019.

On 27th August three loans were taken out amounting to £625,000 in total for refurbishment works on various properties with Handelsbanken at an interest rate of 2.65% over LIBOR. The terms varied between eight and 12 years.