

Registered number: 08140750
Charity number: 1149922

STUDENT UNION LETTINGS LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021



STUDENT UNION LETTINGS LIMITED
(A company limited by guarantee)

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STUDENT UNION LETTINGS LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 JUNE 2021**

Trustees

Mr Ceri Davies
Mrs Danielle Gillet (resigned 8 September 2021)
Mr Gareth Oughton
Ms Penelope Robson (resigned 30 September 2021)
Dr Paul Groves
Mr Tim Matthews (resigned 24 May 2021)
Mr Richard Osborn
Mr Martin Miller
Ms Debbie Muddimer
Miss Karla Wagener

Company registered number

08140750

Charity registered number

1149922

Registered office

Ground Floor Campus Centre Building
Mill Lane
Leicester
Leicestershire
LE2 7DR

Chief Executive Officer

Mr Irving Hill

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Solicitors

Shakespeare Martineau LLP
Leicester
LE1 1QH

Hatch Legal
Seascale
CA20 1QU

STUDENT UNION LETTINGS LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

Bankers

RBS
5 Market Street
Leicester
LE1 6DN

STUDENT UNION LETTINGS LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Student Union Lettings Limited (the company) for the period ended 30 June 2021. The Trustees confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP 2015), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The company trades under the name Sulets.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 9 July 2012.

The company is also a registered charity, number 1149922.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

The oversight of the company is the responsibility of the unpaid Trustees who are elected and co-opted under the terms of the Trust Deed.

The company consists of a Board comprising up to 12 Trustees. The University of Leicester Students' Union and De Montfort University Students' Union are members of the charity and each appoint 3 trustees to the Board. The other trustees recruited to the Board are independent of Student Unions or Universities. The charity has purchased indemnity insurance in favour of the trustees of the charity.

The Senior Management Team of Sulets comprises an Operations Manager, Head of Sales and Marketing along with the Chief Executive Officer who is responsible for the day-to-day operation of Sulets and is directly responsible to the Trustee Board.

The Board meets regularly to receive reports from the Chief Executive Officer, to review the charity's performance and administration and to decide policy issues arising.

The company operates from its base at De Montfort Students' Union, although we have a significant presence at University of Leicester Student Union both online and at key student events throughout the year.

STUDENT UNION LETTINGS LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

(continued)

OBJECTIVES AND PUBLIC BENEFIT

The principal objects of the company are defined as follows:

The objects for which the company is established 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.

Sulets was created with the principal aim of delivering high quality housing to students studying at the two Universities in Leicester.

We aim to

- Support students by offering good quality housing options
- Raise standards in the Private Rented Sector (PRS)
- Support the two Leicester Universities and their Students' Unions and deliver high quality housing for the Leicester student accommodation market

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The Trustees believe that there is a clear and continued public benefit from the operation of Sulets. This includes:

- A not for profit operating model.
- Private rented sector properties that are of a high standard and have been assessed against our own code of standards.
- Clear evidence that we have improved the quality of rental properties offered to our key target group.
- The provision of good quality independent advice via the provision of a comprehensive series of advice guides that Sulets have commissioned to provide a clear, unvarnished information to students on our website.
- A landlord rating site for students to feedback on their experience of renting in Leicester.

STUDENT UNION LETTINGS LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

(continued)

REVIEW OF ACTIVITIES

Sulets started the 20-21 year in a strong position despite the ongoing Covid19 pandemic although for the first time since we launched the charity we did not achieve 100% sales. Nevertheless, we achieved sales of over 92% in our PBSA accommodation and let 141 houses. In total we housed 2184 students during the academic year. Sulets remains the biggest single independent provider of student accommodation in Leicester and this is due to our powerful links to the two Universities and their Students' Union and our commitment to quality and supporting students.

The ongoing pandemic has obviously impacted the entire country but the city of Leicester has been particularly affected. During the first easing of restrictions, whilst the rest of the country began opening up, Leicester remained locked down and this has had a significant impact on students across the city.

In March 2021, the Board of Sulets again decided to support students as the lockdown continued to affect finances and students' ability to work. The Board took the decision to refund all qualifying tenants in our leased portfolio the equivalent of one month's rent despite us continuing to make rent payments in full to our leased property landlords. Once again we did benefit from the generosity of some of our property owners who helped support our efforts and decided to share the cost of the refunds with us. In total, 4 landlords helped support Sulets to the value of £3,718 and we would like to express our thanks for their generous support. In total, the support we extended to students this year cost £46,404 but the Board strongly believes that this is the right decision and goes to the heart of what Sulets is, a charity supporting Leicester students.

Operations

Student Survey

Every year we survey students in all our PRS housing to measure overall satisfaction and to drive improvements. This year we sent our survey to 516 tenants and 76 responded, a response rate of 15.4%. This was a disappointing response and a fall on last year which was 28.1%. However, both Unions reported a decrease in engagement with the student body this year and the view is that is due to the high numbers of students who are at home and that they had been bombarded throughout the year with emails. Nevertheless, the positive news is that we have built upon the positive results from last year and the feedback this year was excellent.

Highlights include:

- Over 94% of students stated that they would recommend Sulets to other students.
- 88% of students agreed that their rent provided good value for money.
- 93% of students agreed that we are 'easily accessible and responsive' when they needed to contact us.

Once again this year, it is interesting to note that where Sulets is the landlord (in our leased housing), the results were higher than in the managed properties (where we just provide tenants and manage the building). From a student perspective, the key difference with our leased housing is that we control the property and make the decisions on repairs when they are reported. This is in comparison with our managed properties where we have to wait for permission from the landlord before a repair is carried out. The direct comparison here is that in both our leased and managed portfolio the tenants broadly stated that we were easily accessible and responsive at 92.6% and 94.12% respectively. However, when tenants were asked, 'do you believe that repairs and maintenance carried out at the property were done in a timely manner', 80.85% agreed on our leased portfolio but this dropped to 42.86 on the managed stock. Interestingly, there was little difference in the overall level of recommendation between the two housing types which suggest that students believe that Sulets are doing a good job and the slowness in the repairs response lies with the landlord.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

(continued)

We have shown consistently for several years that whilst Sulets have driven up standards across all our house types, the real dramatic improvements are shown when we are, in effect, the landlord. This demonstrates the quality of service from Sulets and that leasing or owning properties allows us to far better control the quality of the end product to students. Where possible, we will continue to expand our leased stock and ultimately, ownership of our own properties which has been a long-held ambition for the charity.

Rate Your Student Home

This year we launched our new landlord rating site, Rate Your Student Home - Rateyourstudenthome.co.uk. The site was a project that both of our Student Union members were keen to develop and so the Board has chosen to support this. The site was developed by a local agency and has a clean, simple look and works similar to many other rating sites.

The site has a registration function and students can look up existing properties or add their own. Properties are ranked out of 5 as well as marks for the landlord/agent. The moderation process includes a check to ensure that all reviews come from a student academic (.ac.uk) email address and these display a student verified status. Non-students can leave a review but non-academic verified address do not count towards the overall rank of each property to help prevent malicious postings. A moderation process ensures that the postings remain on topic and are not offensive and the landlord or agent has a right of reply. Specialist legal advice was taken prior to the launch of the site to ensure that Sulets was protected from any potential claims.

Sulets agreed to pay for the design, implementation and running costs of the site for 3 years. The Unions have agreed to market the site to students and encourage adoption by the two Universities. The site is branded with the two Unions logos and it is being marketed as an SU resource. We hope that the site will become a valuable resource for students looking for high quality accommodation and trustworthy operators.

Given its target market, it is restricted to Leicester students.

Student Mental Health support

This year we launched a new service that gives all tenants living in houses access to a comprehensive helpline provided by Health Assured. This covers legal and welfare advice as well as up to 6 one-to one sessions with a BACP mental health counsellor.

So far, take-up and usage of the service has been low but we believe that this is mainly due to the large number of students that returned home during the numerous lockdowns over the year rather than a lack of demand. For the forthcoming year, we will be intensifying our marketing of this service to ensure much wider take-up amongst our tenants as we believe that this is a valuable service for students.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

(continued)

Staffing

There have been several major developments within the staffing side of Sulets.

This year, following a thorough assessment, we achieved the Investors in People (IIP) Gold Standard. This is a truly outstanding achievement and is testament to the staff and management team that have strived to make Sulets the best student lettings agency in Leicester. Achieving the gold standard means that we join the top 7% of businesses, that achieve IIP nationally and the team are rightly proud of this significant result. In addition to this, due to our high score during the audit process, we have been invited by IIP to be considered for a national award of best IIP Gold company in the 2-49 employee band. This is an invite only award and we are excited at the prospect of competing with other IIP companies across the UK to potentially win a 'best in the UK award'.

Similar to last year, we placed some of the staff team on the Government's Furlough scheme during the period January to April on a rolling basis. Once again, the Board took the view that as well as supporting our tenants, we should also support the staff team and so we decided to pay all staff salaries at the full 100% even though the maximum we could reclaim equalled 80%.

The cost of the 20% salary top-up for staff and writing off 1 month's rent from our leased portfolio resulted in a significant decrease in revenue but as a result of many years of success and careful financial management, this is something that Sulets has been able to afford for a second year. We are happy to support students and our staff team during this unprecedented period.

Every year we run an independent, anonymous staff survey measuring areas such as happiness in the role, support from their manager, how valued they feel by the business and training and development. This year we achieved our highest ever employee engagement score of 100%, which is little short of incredible. This was built on an engagement score of 96% last year and 80% in the year before that. This was based on the following key statements:

1. I feel Sulets' values me as an employee
2. I'm proud to be a member of the Sulets' team
3. I feel happy at work

This year we undertook a major piece of work with Hays PLC to assess our staff salary and benefits structure to ensure that we remain competitive within the market. All salaries were assessed against the local and national market and as a result, upwards adjustments were made to most staff posts within the business. Some of these are being phased over a 2 year period to ensure affordability.

The fact that we implemented this review during a period of lockdown when many other companies were making staff redundant highlights not only the Board's faith in the people that work in the business, but also the different approach we have in the delivery of our services to students. We strongly believe that a happy, valued and motivated staff team will deliver consistently great service and our approach to our staff wellbeing directly reflects our positive tenant feedback.

Finally we are pleased to announce that we were finalists in this year's Leicester Live Business Awards having been shortlisted for the award of 'Excellence in Training and Development'.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

(continued)

Governance

This year, the Board met on 7 occasions and in a sign of the times, all these meetings were online.

As a result of changes implemented during the 2019/20 year, the Board has benefitted from support of three new external trustees and this has helped energise Sulets and drive the operation forward in a number of ways including increased regularity of Board meetings.

Finally, this year we said goodbye to Penni Robson, Tim Matthews and Danielle Gillett who left us earlier this year. We wish them all well and would like to express our thanks for their support and contribution to Sulets during their tenure.

Developing our own housing offer

The management of the charity have long held the view that the sustainability of the charity will be built on us becoming a landlord in our own right. From both a financial and quality standard, we believe that we can grow the charity and offer the best accommodation where we own and manage buildings ourselves and this view is supported by the consistent evidence we have seen in our tenant surveys.

This year we have created an investment subgroup and have made multiple offers to purchase student accommodation assets in Leicester. The plan is that at least initially, the properties will be operating HMOs as this is an area that we understand well.

We are pleased to announce that at the time of writing, we have completed the purchase on our first property at College Avenue, Leicester. The house is located in a key lettings area, and we already manage properties in the street so we are confident that the house will be popular with students. The property is in a pretty conservation zone and whilst it is in a good overall condition, we have assigned a conservative budget for modernisation and compliance works. The purchase took place outside of the financial year but is a significant post-audit event so is reported here for completeness. We are excited about our first purchase, and this will be a growing area of the business.

FINANCIAL REVIEW

Reserves Policy

The general reserve policy as detailed below is to cover trading activity and to cover redundancy costs in the event that we needed to wind the business down. Money held in excess of this, is held to build an investment fund which is being developed to support Sulets long term strategic goals.

This year the Board reviewed our reserves policy and decided to reduce the amount held in reserves from 6 months operational costs + redundancy payments down to 4 months as it was felt to be in excess of what was required. This has resulted in an increase into our investment fund.

The Trustee Board has approved a reserves policy for Sulets to:

- provide financial stability to enable Sulets to continue to achieve its objectives during challenging trading periods. This will enable Sulets to cover short term fluctuations in income and cash flow.
- allow Sulets to take advantage of strategic development opportunities and plan for growth.
- enable Sulets to make provision for any staff redundancies and closure costs on any dissolving of the Charity.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

The reserves policy covers:

- 4 months operating costs + an additional fund to cover redundancy costs for all staff (general reserve) + a designated fund for investment.
- Operating costs being defined as payroll costs plus direct purchases.
- Redundancy costs being the statutory level for all staff employed.

This currently equates to approximately £228,000.

Total free reserves at the year end stood at £1,482,776 (2020: £1,296,027).

Going Concern

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

MATERIAL INVESTMENTS POLICY

Currently Sulets does not have any external investments.

RISK MANAGEMENT

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

A risk register has been established and it is formally reviewed once every 12 months by the Trustee Board.

The principal risks and uncertainties we face are considered regularly and in line with good governance. We have a range of mitigating strategies and controls in place which are reviewed and tested on a regular basis.

SENIOR STAFF REMUNERATION

The CEO's role is reviewed by a Remuneration Committee. This committee was established in October 2016 to set the pay and conditions of the CEO. The Committee reports to the Trustee Board on an annual basis and this information is used to set the terms and conditions of the post. The CEO and rest of the senior team were all subject to the same, staff-wide pay review by Hays earlier this year.

STUDENT UNION LETTINGS LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of 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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Auditor

The auditors, Crowe U.K. LLP, have indicated their willingness to continue in office.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

STUDENT UNION LETTINGS LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

Approved by order of the members of the board of Trustees on

and signed on their behalf by:



25/10/21.

Dr Paul Groves
Chair

STUDENT UNION LETTINGS LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STUDENT UNION LETTINGS LIMITED

Opinion

We have audited the financial statements of Student Union Lettings Limited (the 'charitable company') for the year ended 30 June 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

STUDENT UNION LETTINGS LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STUDENT UNION LETTINGS LIMITED
(CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

STUDENT UNION LETTINGS LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STUDENT UNION LETTINGS LIMITED
(CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were CQC regulations, General Data Protection Regulation, health and safety legislation and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, sample testing on income recognition, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STUDENT UNION LETTINGS LIMITED
(CONTINUED)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

This report is made solely to the 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.



Helen Drew (Senior statutory auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 26 October 2021

STUDENT UNION LETTINGS LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and grants	4	10,083	10,083	6,002
Charitable activities	5	1,898,036	1,898,036	1,700,165
Other income	6	4,365	4,365	16,482
Total income		1,912,484	1,912,484	1,722,649
Expenditure on:				
Charitable activities	7	1,705,926	1,705,926	1,549,718
Total expenditure		1,705,926	1,705,926	1,549,718
Net movement in funds		206,558	206,558	172,931
Reconciliation of funds:				
Total funds brought forward		1,303,347	1,303,347	1,130,416
Net movement in funds		206,558	206,558	172,931
Total funds carried forward		1,509,905	1,509,905	1,303,347

The notes on pages 19 to 32 form part of these financial statements.

STUDENT UNION LETTINGS LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 08140750

BALANCE SHEET
AS AT 30 JUNE 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	12,784	1,118
Tangible assets	13	14,345	6,202
		<u>27,129</u>	<u>7,320</u>
Current assets			
Debtors	14	11,126	23,648
Cash at bank and in hand		1,643,774	1,379,876
		<u>1,654,900</u>	<u>1,403,524</u>
Creditors: amounts falling due within one year	15	(172,124)	(107,497)
Net current assets		<u>1,482,776</u>	<u>1,296,027</u>
Total net assets		<u><u>1,509,905</u></u>	<u><u>1,303,347</u></u>
Unrestricted funds	16	<u>1,509,905</u>	<u>1,303,347</u>
Total funds		<u><u>1,509,905</u></u>	<u><u>1,303,347</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees on 25/10/21.
and signed on their behalf by:

Dr Paul Groves



The notes on pages 19 to 32 form part of these financial statements.

STUDENT UNION LETTINGS LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	18	291,696	144,106
Purchase of intangible assets		(15,600)	-
Purchase of tangible fixed assets		(12,198)	-
Net cash (used in)/provided by investing activities		(27,798)	-
Change in cash and cash equivalents in the year		263,898	144,106
Cash and cash equivalents at the beginning of the year		1,379,876	1,235,770
Cash and cash equivalents at the end of the year	19	1,643,774	1,379,876

The notes on pages 19 to 32 form part of these financial statements

STUDENT UNION LETTINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. General information

The charitable company is incorporated and registered with the Charity Commission in England and Wales, registered number 1149922. The company registration number is 08140750. The principal office is First Floor Campus Centre Building, Mill Lane, Leicester, Leicestershire, LE2 7DR.

The company is limited by guarantee. The members of the company are De Montfort University Students' Union Limited and University of Leicester Students' Union Trading Limited. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

Sulets principal activity is the provision of accommodation for students based at De Montfort University and the University of Leicester.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Student Union Lettings Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

As stated in the Trustee's Report, the Trustees believe there are no material uncertainties that call into doubt the charitable company's ability to continue as a going concern and the accounts have therefore been prepared on the basis that the charitable company is a going concern.

2.3 Fund accounting

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

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Accounting policies (continued)

2.4 Income

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

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.5 Expenditure

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

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

2.6 Intangible assets and amortisation

Intangible assets relate to website development costs and computer software, which are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following bases:

Website	-	33% straight line
Computer software	-	25% straight line

STUDENT UNION LETTINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

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

Depreciation is provided on the following bases:

Fixtures and fittings	- 25% straight line
Computer equipment	- 25% straight line

2.8 Financial instruments

The company only enters into basic financial instruments that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

3. Critical accounting estimates and areas of judgment

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

There are no significant judgments or estimates having a material effect on the financial statements.

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

4. Income from donations and grants

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Government grants	10,083	10,083	6,002
<i>Total 2020</i>	<i>6,002</i>	<i>6,002</i>	

The group has been eligible to claim additional funding in the year to 30 June 2021 from the furlough support scheme provided by the government in response to the coronavirus outbreak (CJRS) whereby the company furloughed staff. The funding received of £10,083 (2020: £6,002) relates to staff costs included in note 10.

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Commissions receivable	574,081	574,081	622,266
Rentals receivable	1,323,955	1,323,955	1,077,899
	1,898,036	1,898,036	1,700,165
<i>Total 2020</i>	<i>1,700,165</i>	<i>1,700,165</i>	

6. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Other income	4,365	4,365	16,482
<i>Total 2020</i>	<i>16,482</i>	<i>16,482</i>	

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Rental and commissions	1,705,926	1,705,926	1,549,718
<i>Total 2020</i>	<i>1,549,718</i>	<i>1,549,718</i>	

Summary by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total funds 2021 £	Total funds 2020 £
Rental and commissions	397,065	7,989	1,300,872	1,705,926	1,549,718
<i>Total 2020</i>	<i>400,639</i>	<i>10,092</i>	<i>1,138,987</i>	<i>1,549,718</i>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Rental and commissions	1,516,470	189,456	1,705,926	1,549,718
<i>Total 2020</i>	<i>1,366,148</i>	<i>183,570</i>	<i>1,549,718</i>	

STUDENT UNION LETTINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	-	3,691
Depreciation and amortisation	7,989	10,092
Rent	20,000	15,750
Printing, postage and stationery	1,328	1,561
Travel	293	806
Advertising and marketing	48,836	47,605
Legal and professional	23,203	16,817
Software subscription	32,885	19,891
Repairs and renewals	3,119	3,037
Bank charges	2,695	3,526
Credit card charges	10,025	7,615
Sundry expenses	12,481	32,077
Finance, Human Resources and Marketing	20,000	15,000
Governance costs	6,602	6,102
	<u>189,456</u>	<u>183,570</u>

9. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £5,715 (2020 - £5,715), and other services amounting to of £500 (2020 - £1,150).

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

10. Staff costs

	2021 £	2020 £
Wages and salaries	352,424	356,080
Social security costs	30,201	30,645
Contribution to defined contribution pension schemes	14,440	13,914
	<u>397,065</u>	<u>400,639</u>

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

	2021 No.	2020 No.
Administration	<u>12</u>	<u>11</u>

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

	2021 No.	2020 No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

Key management personnel are considered to be anyone who has authority and responsibility for planning, directing and controlling the activities of the company. During the year, key management personnel received remuneration of £90,571 (2020: £84,630), including employers' National Insurance and employers' pension contributions.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 30 June 2021, no Trustee expenses have been incurred (2020 - £NIL).

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

12. Intangible assets

	Website and software £
Cost	
At 1 July 2020	23,668
Additions	15,600
At 30 June 2021	39,268
Amortisation	
At 1 July 2020	22,550
Charge for the year	3,934
At 30 June 2021	26,484
Net book value	
At 30 June 2021	12,784
At 30 June 2020	1,118

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

13. Tangible fixed assets

	Fixtures and fittings £
Cost or valuation	
At 1 July 2020	19,925
Additions	12,198
At 30 June 2021	<u>32,123</u>
Depreciation	
At 1 July 2020	13,723
Charge for the year	4,055
At 30 June 2021	<u>17,778</u>
Net book value	
At 30 June 2021	<u><u>14,345</u></u>
At 30 June 2020	<u><u>6,202</u></u>

14. Debtors

	2021 £	2020 £
Trade debtors	6,928	6,450
Other debtors	-	4,350
Prepayments and accrued income	4,198	12,848
	<u><u>11,126</u></u>	<u><u>23,648</u></u>

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	70,612	5,846
Other taxation and social security	18,105	26,365
Accruals and deferred income	83,407	75,286
	<u>172,124</u>	<u>107,497</u>
	2021 £	2020 £
Deferred income		
Deferred income at 1 July 2020	24,448	24,256
Resources deferred during the year	19,756	24,448
Amounts released from previous periods	(24,448)	(24,256)
	<u>19,756</u>	<u>24,448</u>

Deferred income represents rent and associated income received in advance.

The Company holds funds as intermediary on behalf of landlords and tenants. These amount to £259,986 (2020: £328,770) at the year end date and are not included as assets or liabilities of the Company in line with the SORP recommended treatment.

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

16. Statement of funds

Statement of funds - current year

	Balance at 1 July 2020 £	Income £	Expenditure £	Balance at 30 June 2021 £
Unrestricted funds				
General Funds	<u>1,303,347</u>	<u>1,912,484</u>	<u>(1,705,926)</u>	<u>1,509,905</u>

Statement of funds - prior year

	Balance at 1 July 2019 £	Income £	Expenditure £	Balance at 30 June 2020 £
Unrestricted funds				
General Funds	<u>1,130,416</u>	<u>1,722,649</u>	<u>(1,549,718)</u>	<u>1,303,347</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	14,345	14,345
Intangible fixed assets	12,784	12,784
Current assets	1,654,900	1,654,900
Creditors due within one year	(172,124)	(172,124)
Total	<u>1,509,905</u>	<u>1,509,905</u>

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	6,202	6,202
Intangible fixed assets	1,118	1,118
Current assets	1,403,524	1,403,524
Creditors due within one year	(107,497)	(107,497)
Total	<u>1,303,347</u>	<u>1,303,347</u>

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	<u>206,558</u>	<u>172,931</u>
Adjustments for:		
Depreciation charges	4,055	1,348
Amortisation charges	3,934	8,744
Decrease/(increase) in debtors	12,522	(4,592)
Increase/(decrease) in creditors	64,627	(34,325)
Net cash provided by operating activities	<u>291,696</u>	<u>144,106</u>

19. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	<u>1,643,774</u>	<u>1,379,876</u>

STUDENT UNION LETTINGS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

20. Analysis of changes in net debt

	At 1 July 2020	Cash flows	At 30 June 2021
	£	£	£
Cash at bank and in hand	1,379,876	263,898	1,643,774
	<u>1,379,876</u>	<u>263,898</u>	<u>1,643,774</u>

21. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. There were no contributions payable to the fund at the balance sheet date (2020: £nil).

22. Operating lease commitments

At 30 June 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	<u>574,054</u>	<u>930,748</u>

During the year lease payments have been recognised as an expense in the Statement of financial activities for £914,347 (2020: £790,796).

The properties above are sub-let to students.

At 30 June 2021 the total of the Company's future minimum lease receipts under non-cancellable operating leases were:

	2021 £	2020 £
Within 1 year	<u>862,752</u>	<u>1,384,896</u>

STUDENT UNION LETTINGS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

23. Related party transactions

The Company has received finance, HR and the use of office space from De Montfort Students Union during the year at a cost of £20,000 (2020: £15,000). The Company also paid £10,000 (2020: £7,500) in advertising and £335 (2020: £2,279) in sundry expenses to De Montfort Students Union. At the year end £Nil (2020: £Nil) remained outstanding.

Office space has also been rented from The University of Leicester Students' Union at a cost of £Nil (2020: £750). The Company also paid £10,000 (2020: £7,500) for advertising expenses to The University of Leicester Students' Union. At the year end £Nil (2020: £Nil) remained outstanding.

The Company employed ACM Ltd to perform a security accreditation and certification of their IT system at a cost of £Nil (2020: £1,700), one of the Director's of this company is a Trustee of Student Union Lettings Limited. At the year end £Nil (2020: £Nil) remained outstanding.