

University Centre Peterborough

# FINANCIAL STATEMENTS

2022-2023



University Centre  
**Peterborough**

Part of the  
**Inspire Education Group**

**UNIVERSITY CENTRE PETERBOROUGH  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 JULY 2023**

# UNIVERSITY CENTRE PETERBOROUGH

## COMPANY INFORMATION

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**Directors**

S Aziz  
M A W Bradbury  
A Davies  
D S Dixon  
L C Ebdon  
A C Keeling  
R J Nicholls  
L A Perry  
P Walker  
M E Woods

**Secretary**

J Ulyatt

**Company number**

06112716

**Registered office**

Park Crescent  
Peterborough  
Cambridgeshire  
PE1 4DZ

**Auditor**

RSM UK Audit LLP  
Chartered Accountants  
Blenheim House  
Newmarket Road  
Bury St Edmunds  
Suffolk  
IP33 3SB

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# UNIVERSITY CENTRE PETERBOROUGH

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 JULY 2023

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The directors present their annual report and financial statements for the year ended 31 July 2023.

#### **Principal activities**

The principal activity of the company is the provision of higher education courses to students in Peterborough and Stamford.

University Centre Peterborough (UCP) is a charitable company limited by guarantee, and a wholly owned subsidiary of Inspire Education Group.

From 1st August 2020 UCP became the higher education arm for Inspire Education Group (IEG), delivering higher education at Peterborough and Stamford and through franchise agreements in place with partners ESPA and ADDICT.

UCP was registered with the Office for Students (OfS) in 2019 as a higher education provider.

Mission – “To engage, enable and empower students to meet the challenges of the future”

#### **Public Benefit**

For taxation purposes the University Centre Peterborough is a charitable company. The Charity Commission's guidance on public benefit states that two main principles must be adhered to. The relevance of the activities of University Centre Peterborough to these principles are set out below:

Principle 1: There must be an identifiable benefit or benefits:

Our role is to equip students with the intellectual wherewithal which will serve them throughout their professional lives. We are passionate about the advancement of knowledge and the education of students. We take university education in imaginative new directions. Our key contribution is to the enhancement of social, cultural and economic well-being.

UCP recruits its students from what is widely considered a higher education “cold spot”. The 2021-25 Access and Participation Plan clearly identifies under-represented groups and the strategies used to engage with them. A combination of financial bursaries and targeted strategies ensure that all stages of the student life cycle are addressed. UCP has demonstrated excellent support for students with disabilities in terms of both their outcomes and student experience with all areas above the national benchmark. This information is published on the OfS data dashboard.

Principle 2:

We provide public benefit by educating students within the Peterborough and South Lincolnshire regions. These students are generally students who would otherwise not engage in higher education. UCP also attracts students into the City of Peterborough and surrounding areas, many of whom remain in roles within the local industry and public sector.

During their studies, students at UCP are encouraged to engage with the local community and bring much needed income to the local economy. There are effective links with the voluntary sector and students and staff have participated in a number of campaigns with Peterborough Citizens. Numerous outreach initiatives ensure UCP works closely with schools and colleges. Senior staff are also actively involved as governors of local schools and University Technical College's offering additional support for progression into higher education. In addition, UCP successfully appointed its first Malcolm Bradbury Trust bursary recipient and work has commenced promoting literacy and literary engagement in Peterborough.

**UNIVERSITY CENTRE PETERBOROUGH****DIRECTORS' REPORT (CONTINUED)****FOR THE YEAR ENDED 31 JULY 2023****Summary of overall performance**

<b>KPI</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2024 Strategy</b>
<b>Retention</b>	93%	93%	95%
<b>Progression (L4 – L5)</b>	87%	87%	94%
<b>Progression (L5 – L6)</b>	90%	92%	98%
<b>First Degree Classification (Good or Better)*</b>	74% (82%)	80%	72%
<b>Other UG (HN) Merit and Distinction / Good or Better</b>	80% HND 81% HNC	85%	80%
<b>National Student Survey (NSS) Teaching and Learning (national benchmark 80%)</b>	87%	89.4%	90%
<b>NSS Overall Student Satisfaction (national benchmark 76%)</b>	85%	N/A	90%
<b>HE Teaching Reviews</b>	100%	100%	95%

\*(bracket includes % with a Merit or Distinction at Foundation Degree level)

It should be noted that in terms of the National Student Survey, UCP had one course area with 100% satisfaction and achieved significantly above national benchmark across 21 of the 27 criteria. The areas for improvement primarily relate to resources, IT and the library. This year there is no overall satisfaction rating for providers in England.

UCP also achieved a Silver in its Teaching Excellence Framework application. This is line with the 2022-2024 HE Strategy ambition and KPI.

**Risk and Future Developments**

The company has been developed to promote growth and development of Higher Education in Peterborough and Stamford. The risks to the company are considered to be modest due to the diversity of the courses provided by UCP and the history of student participation in locally delivered HE provision. UCP mitigates the operational risk by working with strong HE brands to validate the degrees, predominantly the Open University. The Office for Students (OfS) have been informed that a "teach out" agreement is in place with Anglia Ruskin University (ARU). No new students were admitted to ARU provision post November 2021. In addition, UCP continues to be validated by Bishop Grosseteste University, ensuring adherence to its quality standards and expectations as the previous agreement was with Stamford College. Successful academic reviews of partner provision (Addict and ESPA) were undertaken by Pearson in March 2022. UCP continues to partner with Eastern School of Performing Arts in Stamford. The contract between UCP and Addict Dance will come to an end in Summer 2024, and second year HND students are subject to formal teach out agreement for Academic Year 2023/24.

Curriculum diversification has continued with the utilisation of the HE lecturing expertise in providing IEG students with a Level 5 Gateway Computing Diploma in partnership with the Coding Institute in 2022/23. Level 4 and 5 Open University technical qualifications are due to be validated in November 2023, with delivery commencing in February 2024 for counselling-based provision. These developments will enable us to deliver micro credentials once the Lifelong Learning Entitlement (LLE) has been confirmed by the government. UCP is currently seeking further information about becoming an 'early adopter' of the LLE.

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

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**Results and dividends**

The company made a surplus of £21K (2022: deficit of £217K) for the year as shown on page 14.

**Responsibility under funding agreements**

The company has met its contractual responsibilities under OfS conditions for registration by:

- The governing body accepting responsibility for the interactions between UCP and the OfS and its designated bodies
- The governing body ensuring UCP's compliance with all of its conditions of registration and with the OfS's accounts direction
- The governing body has nominated a senior officer to be the 'accountable officer' who has the responsibilities set out by the OfS for an accountable officer from time to time

**Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S Aziz	
C Bowes	(Resigned 26 April 2023)
M A W Bradbury	
A Davies	
D S Dixon	
L C Ebdon	
M Kiernan	(Resigned 18 October 2022)
S C Martin	(Resigned 1 December 2022)
A C Keeling	(Appointed 23 February 2023)
R J Nicholls	
L A Perry	
P Walker	
M E Woods	

In addition to the resignations and appointments detailed above in June 2023 the terms of office of three external members and one IEG member automatically expired. UCP's Articles allow for the reappointment of directors within 6 months, without this being regarded as a resignation and re-appointment to their directorships and it is anticipated that all four members will be reappointed to the UCP Council at the next meeting of the IEG Corporation Board.

**Auditor**

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

**Small companies exemption**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Draft Financial Statements at 08 November 2023  
**UNIVERSITY CENTRE PETERBOROUGH**

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

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On behalf of the board

.....  
R J Nicholls  
**Director**

Date: .....

## UNIVERSITY CENTRE PETERBOROUGH

### STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2023

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This statement covers the period from 1 August 2022 to 31 July 2023 and up to the date of approval of the annual report and financial statements. The following statement is provided to enable readers of the annual report and accounts of the Company to obtain a better understanding of its governance and legal structure.

#### **Responsibilities of the University Council and structure of corporate governance**

UCP endeavours to conduct its business in line with best practise. In doing so the Council notes:

- The UK Corporate Governance Code 2018 insofar as it is applicable to the higher education sector;
- the OfS Accounts Direction requirements;
- has due regard to the Charity Commission guidance on public benefit when exercising its powers and duties;
- the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- the reclassification of colleges and their subsidiaries to the public sector on the 29 November 2022 introducing the requirement to comply with HMT Managing Public Money.

In addition, the University works to align its governance approach and processes with the Higher Education Code of Governance (the Code) published by the Committee of University Chairs (CUC).

In response to the Code and in accordance with overall good governance, and the Council is committed to periodically review the role of the Council and its effectiveness.

The University adopts the policies and procedures employed by the IEG group in relation to financial oversight and therefore procedures have been developed to provide assurances that the MPM requirements have been met. The University recognises the restrictions on financing, of which there is none and the need to ensure write off limits are aligned with MPM for which the policies are being adopted.

In the opinion of the Council members, UCP has complied throughout the year ended 31 July 2023 with all of the codes detailed above.

#### **Statement of the role and primary powers and responsibilities of University Council**

The University Council is the governing body of the University. It is responsible for overseeing the University Centre's activities, determining its future direction and developing and sustaining an environment in which its mission is achieved and learning is fostered. Council's work is directed to supporting the success and performance of the University. The Council is responsible for ensuring compliance with the Charter, regulating the University and its governance framework. Subject to these it makes all final decisions on matters of fundamental concern to the University Centre.

The Council is provided with regular and timely information on the overall financial performance of UCP, together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues.

In setting and reviewing UCP's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.



## UNIVERSITY CENTRE PETERBOROUGH

### STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

#### FOR THE YEAR ENDED 31 JULY 2023

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##### **Membership and meetings**

At the start of 2022/23 the Council of the University comprised of seven external members, one student member and one academic staff member, plus three members appointed from amongst the IEG Corporation Board and one Inspire Education Group senior post holder, appointed in accordance with the University Centre's Articles. During the year one external member resigned and was not replaced in year, and one IEG appointed member resigned and was replaced by year end, and the staff director also resigned. Additionally, a three year term of office automatically expired for two external members and one IEG member on 5 June 2023, and one external member on 24 June 2023. UCP's articles allow the reappointment of Directors within six months, without this being regarded as a resignation and re-appointment to their directorships. It is anticipated that all will continue as members of the UCP Council, to be reappointed at the next meeting of the IEG Corporation Board.

The Council has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Council considers that each of its non-executive Members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

The role of Chair of Council is separated from the role of the University's Academic Director.

The matters specifically reserved to the Council for decision are set out in the University's articles. By custom and under the OfS' Regulatory Framework, the Council is responsible for the University's ongoing strategic direction, approval of major developments and receiving regular reports from executive officers on the day-to-day operations of its business. The Council meets at least four times during the year.

Formal agendas, papers and reports are supplied to Members in a timely manner, prior to Board meetings. Briefings are also provided on an ad-hoc basis.

There are three committees, which are formally constituted with terms of reference. The two key committees are noted below.

##### **Academic Board**

The Academic Board is the academic authority and as such operates to promote the academic and professional work of UCP across all of its campuses and partners and safeguards the standards of its awards.

The purpose of the Academic Board is to provide oversight of academic activity and related activities and the resources needed to support them. A focus this year has been the revalidation of provision with the Open University which has been extremely successful as all programmes were approved for delivery. It has delegated responsibility from the UCP Council to monitor academic standards and the direction of academic matters in accordance with the UK higher education sector regulatory requirements. Validating partners will be assured of maintenance of their academic standards and quality.

The focus of Academic Board business should be on academic enhancement. Routine monitoring of quality management should be undertaken by the academic administration, and reported to Academic Board via its Committees with specified delegated responsibility. Therefore, the Academic Board:

- Determine academic strategy.
- Approve policies and policy statements.
- Receive and approve updates from a number of internal committees and senior management.
- Receive reports from the Student Council and HE Student Officer.

## UNIVERSITY CENTRE PETERBOROUGH

### STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

#### FOR THE YEAR ENDED 31 JULY 2023

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##### **Audit Committee**

The Audit Committee comprises of a minimum of three external members and advisors and meets at least twice annually.

The Committee operates in accordance with written terms of reference approved by the Council.

When relevant, the meetings are attended by the appointed external auditor to discuss audit findings, and with the internal auditors to consider internal audit reports and recommendations for the improvement of the University's systems of risk management, internal control, and governance framework. The Committee also receives and considers reports from the HE funding bodies, as they affect the UCP's business.

The Audit Committee also advises the Council on the appointment of internal and financial statement auditors and their remuneration for both audit and non-audit work.

##### **Appointments to the Council**

The Council has a governance and nominations committee which is responsible for the selection and nomination of any new members for the full Council's consideration.

The Council is responsible for ensuring that appropriate training is provided as required. Members of the Council are appointed for a term of office not exceeding three years, and for a maximum of three terms.

Full minutes of all meetings except those deemed to be confidential, are available from the UCP website and from the Governance Director at:

University Centre Peterborough  
c/o Inspire Education Group  
Park Crescent  
Peterborough  
PE1 4DZ

The Governance Director maintains a register of financial and personal interests of the Council Board Members and some senior staff having responsibility for significant budgets. The register is available for inspection at the above address.

All Council Members are able to take professional advice in furtherance of their duties at the UCP's expense, and have access to the Governance Director, who is responsible to the Council for ensuring that all applicable procedures and regulations are complied with. UCP procures Governance Services from its parent organisation, IEG. The appointment, evaluation and removal of the Governance are matters for the IEG Corporation as a whole. The Chair of the UCP Council is also a member of the IEG Corporation.

## UNIVERSITY CENTRE PETERBOROUGH

### STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

#### FOR THE YEAR ENDED 31 JULY 2023

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#### **Internal control**

##### **Scope of responsibility**

The Council is ultimately responsible for UCP's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Council has delegated the day-to-day responsibility to the Academic Director, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of all policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Grant Funding Agreements between UCP and the funding bodies. She is also responsible for reporting to the Council any material weaknesses or breakdowns in internal control.

##### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of UCP's policies, aims and objectives, to evaluate the likelihood of those risks being realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in UCP, for the year ended 31 July 2023 and up to the date of approval of the annual report and accounts.

##### *Capacity to handle risk*

The Council has reviewed the key risks to which UCP is exposed, together with the business, operating, financial and compliance controls and arrangements for compliance with legal and regulatory matters including those relating to the regularity and propriety of the use of public funding that have been implemented to mitigate those risks. The Council is of the view that there is a formal ongoing process for identifying, evaluating and managing UCP's significant risks that has been in place for the period ended 31 July 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Council.

##### *The risk and control framework*

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. Reporting risk through a Board Assurance Framework was introduced in October 2021 to further enhance risk monitoring and scrutiny. In particular, it includes:

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the UCP Council;
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines; and
- monitoring of action plans to manage key risk.

##### *Risk Management*

The IEG Risk Management Group covers all organisations within the IEG Group, reviewing in depth the UCP risks, it receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded and reinforced by risk awareness training. Risks are reviewed and scored against a clearly defined risk management framework, for both likelihood and impact. The key risks identified as those that could compromise the delivery of UCP's strategic aims are:

- Failure to meet HE income targets
- Maintaining strong financial health and meeting strategic targets
- Recruitment and retention of specialist staff
- Failure of subcontracting provision to comply with regulatory and quality requirements.

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL  
(CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2023**

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*Internal Audit*

UCP has an internal audit service, which operates in accordance with the requirements of the Audit Code of Practice within 'the terms and conditions of funding for higher education institutions'. The work of the internal audit service is informed by an analysis of the risks to which the Group is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Council on the recommendation of the Audit Committee. Audits cover specific UCP activities, and the wider IEG Group, where UCP utilises the services of the parent organisation. At a minimum annually, the Head of Internal Audit (HIA) provides a report that includes the HIA's independent opinion on the adequacy and effectiveness of the system of risk management, controls and governance processes to the Audit Committee of IEG.

*Review of effectiveness*

As Accounting Officer, the Academic Director has responsibility for reviewing the effectiveness of the system of internal control. The Academic Director's review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors;
- the work of the executive managers within UCP and IEG, who have responsibility for the development and maintenance of the internal control framework; and
- comments made by the UCP's financial statements auditors, the regularity auditors, the appointed funding auditors in their management letter and other reports.

The Academic Director has been advised on the implications of the result of this review of the effectiveness of the system of internal control by the Audit Committee which oversees the work of the internal auditor, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The senior management team and the Audit Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Council's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2023 meeting, the Council carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the senior leadership team and internal audit.

Based on the advice of the Audit Committee and the Academic Director, the Council is of the opinion that the Group has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "*the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets*".

Approved by order of the members of University Centre Peterborough and signed on its behalf by:

.....  
R J Nicholls  
**Director**

.....  
L Knight  
**Accountable Officer and Academic Director**

Date: .....

# UNIVERSITY CENTRE PETERBOROUGH

## DIRECTORS' RESPONSIBILITIES STATEMENT

### FOR THE YEAR ENDED 31 JULY 2023

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The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

They are also responsible for ensuring funds from Office for Students or other sources are properly applied for the purposes for which they have been given and in accordance with relevant legislation or terms and conditions attached to them.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY CENTRE PETERBOROUGH**

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### **Opinion**

We have audited the financial statements of University Centre Peterborough (the 'company') for the year ended 31 July 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 July 2023 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 directors' 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 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 directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report and Financial Statements. 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.

### **Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY CENTRE PETERBOROUGH (CONTINUED)**

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### **Opinions on other matters prescribed by the Office for Students' Accounts Direction**

In our opinion, in all material respects:

- funds from whatever source administered by the company for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' accounts direction for the relevant year's financial statements have been met.

### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

We have nothing to report in respect of the following matters where the Office for Students' accounts direction requires us to report to you if:

- the Company's grant and fee income, as disclosed in the note 2 to the accounts, has been materially misstated.
- where the Company has an access and participation plan that has been approved by the Office for Student's director of fair access and participation. The Company's expenditure on access and participation activities for the financial year has been materially misstated.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 10, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY CENTRE PETERBOROUGH (CONTINUED)

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In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of law and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, Regulatory Advice 9: Accounts Direction published by the Office for Students' and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting any correspondence with tax authorities.

The most significant laws and regulations that have an indirect impact on the financial statements are those which are in relation to the Education Inspection Framework under the Education and Inspections Act 2006, Keeping Children Safe in Education under the Education Act 2002 and the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls and completeness of income as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and performing tests of detail in respect of completeness of income.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**UNIVERSITY CENTRE PETERBOROUGH****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2023**

	Notes	2023 £	2022 £
<b>Income</b>	<b>2</b>	5,395,689	5,476,065
Administrative expenses		(5,399,932)	(5,695,185)
<b>Operating deficit</b>		(4,243)	(219,120)
Interest receivable and similar income		25,183	2,561
<b>Surplus/(deficit) before taxation</b>		20,940	(216,559)
Tax on surplus/(deficit)		-	-
<b>Surplus/(deficit) for the financial year</b>		20,940	(216,559)

**UNIVERSITY CENTRE PETERBOROUGH****STATEMENT OF FINANCIAL POSITION****AS AT 31 JULY 2023**

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	4		112,305		90,329
<b>Current assets</b>					
Debtors	5	148,261		161,584	
Cash at bank and in hand		3,215,455		7,743,044	
		<u>3,363,716</u>		<u>7,904,628</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(3,164,033)</u>		<u>(7,774,975)</u>	
<b>Net current assets</b>			199,683		129,653
<b>Total assets less current liabilities</b>			<u>311,988</u>		<u>219,982</u>
<b>Creditors: amounts falling due after more than one year</b>	7		(116,869)		(45,803)
<b>Net assets</b>			<u>195,119</u>		<u>174,179</u>
<b>Reserves</b>					
Income and expenditure account			195,119		174,179
<b>Members' funds</b>			<u>195,119</u>		<u>174,179</u>

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

The financial statements were approved by the board of directors and authorised for issue on ..... and are signed on its behalf by:

.....  
R J Nicholls  
Director

.....  
L Knight  
Accountable Officer and Academic Director

**UNIVERSITY CENTRE PETERBOROUGH**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2023**

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	<b>Income and expenditure £</b>
<b>Balance at 1 August 2021</b>	390,738
<b>Year ended 31 July 2022:</b>	
Loss and total comprehensive income for the year	(216,559)
	<hr/>
<b>Balance at 31 July 2022</b>	174,179
<b>Year ended 31 July 2023:</b>	
Profit and total comprehensive income for the year	20,940
	<hr/>
<b>Balance at 31 July 2023</b>	<u>195,119</u>

**UNIVERSITY CENTRE PETERBOROUGH****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 JULY 2023**

	Notes	2023		2022	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	9		(4,507,022)		3,355,122
<b>Investing activities</b>					
Purchase of tangible fixed assets		(45,750)		(55,506)	
Interest received		25,183		2,561	
<b>Net cash used in investing activities</b>			(20,567)		(52,945)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(4,527,589)		3,302,177
Cash and cash equivalents at beginning of year			7,743,044		4,440,867
<b>Cash and cash equivalents at end of year</b>			3,215,455		7,743,044

# UNIVERSITY CENTRE PETERBOROUGH

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2023

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#### 1 Accounting policies

##### Company information

University Centre Peterborough is a private company limited by guarantee and is registered and incorporated in England and Wales. The registered office is Park Crescent, Peterborough, Cambridgeshire, PE1 4DZ.

##### Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and Regulatory Advice 9: Accounts Direction issued by the Office for Students where applicable to a private company. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The financial forecast and planning models based on the September 2023 enrolment numbers, and new course plans demonstrates sufficient liquidity over the next twelve months.

At the time of approval UCP has an underpinning financial guarantee of £500k from IEG, the ultimate parent organisation which expires in July 2024. The Office for Students has confirmed that it does not require the financial guarantee to continue beyond this date, and modelling suggests that UCP’s continued operations do not require a continued parent company guarantee.

Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### Income and expenditure

Fee income for taught awards is accounted for in the period the education provision is provided. Where monies are received in advance for future periods the income is deferred.

Expenses include VAT where applicable as the company cannot reclaim it.

##### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	5 year straight line
Fixtures and fittings	10 year straight line
Computers	5 year straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2023**

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**1 Accounting policies (Continued)**

**Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

**Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks.

**Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

**Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Basic financial liabilities**

Basic financial liabilities, including trade and other creditors and amounts due to group companies, are initially recognised at transaction price.

**Taxation**

The entity is an exempt charity and therefore meets the definition of a charitable company for UK corporation tax purposes.

**Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**UNIVERSITY CENTRE PETERBOROUGH****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023****1 Accounting policies (Continued)****Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

The recurrent grant from the Office for Students ('OfS') represents the funding allocations attributable to the current financial year and is recognised when received or receivable.

**2 Turnover and other revenue**

	<b>2023</b>	<b>2022</b>
	£	£
Grant income from the OfS	444,233	481,946
Grant income from other bodies	20,768	21,146
Fee income for taught awards	4,917,492	4,954,745
Other income	13,196	18,228
	<u>5,395,689</u>	<u>5,476,065</u>

	<b>2023</b>	<b>2022</b>
	£	£
<b>Other revenue</b>		
Interest income	25,183	2,561
	<u>25,183</u>	<u>2,561</u>

**3 Employees**

The company does not directly employ any staff, this note refers to staff costs which have been recharged by Inspire Education Group for staff time relating to University Centre Peterborough. The average monthly number of employees of Inspire Education Group who were recharged to the company during the year was:

	<b>2023</b>	<b>2022</b>
	Number	Number
Total	64	76
	<u>64</u>	<u>76</u>

Their aggregate remuneration comprised:

	<b>2023</b>	<b>2022</b>
	£	£
Recharged salary costs	1,796,953	1,646,020
	<u>1,796,953</u>	<u>1,646,020</u>

**UNIVERSITY CENTRE PETERBOROUGH****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023****3 Employees (Continued)**

The company operated salary sacrifice arrangements relating to childcare vouchers and cycle to work scheme in the current and prior year.

The company also has 10 (2022: 12) non-executive directors not included in the number of staff breakdown above, the directors did not receive any payment from the company during the year.

**Key management personnel**

The key management personnel of the company is considered to be the Academic Director.

The above recharged salary costs includes amounts payable to the Academic Director of the following:

	<b>2023</b>	<b>2022</b>
	£	£
Wages and salaries	63,455	57,666
Social security costs	7,668	6,948
Pension costs	13,856	13,136
	<u>84,979</u>	<u>77,750</u>

The Academic Director, while taking accounting officer responsibility, is employed by IEG with a salary commensurate to that of running a department of a similar size. The post is supported by many of the professional functions within the IEG Group, without having to take functional responsibility for these areas. The post reports to the CEO of IEG group, who reviews performance at least annually against a set of objectives. The post is subject to pay awards in line with the overall IEG pay awards, and is not subject to performance related pay.

**Relationship of Academic Director pay and remuneration expressed as a multiple**

	<b>2023</b>	<b>2022</b>
Academic Director's basic salary as a multiple of the median of all staff	2.17	1.79
Academic Director's total remuneration as a multiple of the median of all staff	2.17	1.79



**UNIVERSITY CENTRE PETERBOROUGH****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023****4 Tangible fixed assets**

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>				
At 1 August 2022	4,065	114,539	383,235	501,839
Additions	21,700	17,964	6,086	45,750
At 31 July 2023	<u>25,765</u>	<u>132,503</u>	<u>389,321</u>	<u>547,589</u>
<b>Depreciation and impairment</b>				
At 1 August 2022	68	74,572	336,870	411,510
Depreciation charged in the year	3,340	6,254	14,180	23,774
At 31 July 2023	<u>3,408</u>	<u>80,826</u>	<u>351,050</u>	<u>435,284</u>
<b>Carrying amount</b>				
At 31 July 2023	<u>22,357</u>	<u>51,677</u>	<u>38,271</u>	<u>112,305</u>
At 31 July 2022	<u>3,997</u>	<u>39,967</u>	<u>46,365</u>	<u>90,329</u>

**5 Debtors**

	<b>2023</b> £	<b>2022</b> £
<b>Amounts falling due within one year:</b>		
Trade debtors	106,846	83,529
Other debtors	41,415	78,055
	<u>148,261</u>	<u>161,584</u>

**6 Creditors: amounts falling due within one year**

	<b>2023</b> £	<b>2022</b> £
Trade creditors	200,332	426,596
Amounts owed to group undertakings	2,520,800	6,847,484
Other creditors	442,901	500,895
	<u>3,164,033</u>	<u>7,774,975</u>

**7 Creditors: amounts falling due after more than one year**

	<b>2023</b> £	<b>2022</b> £
Other creditors	116,869	45,803
	<u>116,869</u>	<u>45,803</u>

**UNIVERSITY CENTRE PETERBOROUGH****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2023****8 Members' liability**

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

**9 Cash (absorbed by)/generated from operations**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Surplus/(deficit) for the year after tax	20,940	(216,559)
<b>Adjustments for:</b>		
Investment income	(25,183)	(2,561)
(Gain)/loss on disposal of tangible fixed assets	-	440
Depreciation and impairment of tangible fixed assets	23,774	40,193
<b>Movements in working capital:</b>		
Decrease in debtors	13,323	979,348
(Decrease)/increase in creditors	(4,483,635)	2,805,143
Decrease in deferred income	(56,241)	(250,882)
<b>Cash (absorbed by)/generated from operations</b>	<b>(4,507,022)</b>	<b>3,355,122</b>

**10 Analysis of changes in net funds**

	<b>1 August 2022</b>	<b>Cash flows</b>	<b>31 July 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	7,743,044	(4,527,589)	3,215,455

**11 Access and participation expenditure**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Access investment	108,095	93,649
Financial support provided to students	155,655	187,100
Support for disabled students	30,514	38,172
Research and evaluation related to access and participation	43,405	46,066
<b>Total access and participation expenditure</b>	<b>337,669</b>	<b>364,987</b>

The College's access and participation plan is available on the College's website at <https://www.ucp.ac.uk/policies/>.

**12 Parent entity**

Inspire Education Group is the immediate parent, and is the smallest and largest group for which consolidated accounts including University Centre Peterborough are prepared. The consolidated accounts of Inspire Education Group are available from its registered office, Inspire Education Group, Park Crescent, Peterborough, Cambridgeshire, PE1 4DZ.

**UNIVERSITY CENTRE PETERBOROUGH**

**MANAGEMENT INFORMATION**

**FOR THE YEAR ENDED 31 JULY 2023**

**THE FOLLOWING PAGES DO NOT FORM PART OF THE FINANCIAL STATEMENTS**

**UNIVERSITY CENTRE PETERBOROUGH****DETAILED TRADING AND INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 JULY 2023**

	£	2023 £	£	2022 £
<b>Income</b>		5,395,689		5,476,065
<b>Administrative expenses</b>				
Wages and salaries	1,796,953		1,646,020	
Subcontract provision	1,408,898		1,259,754	
Staff training and welfare	2,342		3,514	
Management charge	811,482		1,020,920	
Rates	17,758		18,872	
Academic costs	665,744		804,602	
Power, light and heat	62,523		49,729	
Property repairs and maintenance	76,091		55,091	
Computer running costs	12,654		9,723	
Software costs	32,695		1,546	
Hire of equipment	244		678	
Catering	3,594		1,328	
Cash bursaries	155,655		182,600	
Accommodation, travel and subsistence	-		433	
Legal and professional fees	11,947		11,196	
Audit fees	14,600		1,776	
Bank charges	935		349	
Bad and doubtful debts	131,680		447,961	
Printing and stationery	1,857		9,516	
Books, periodicals, reference materials	34,343		36,578	
Advertising	110,606		63,481	
Sundry expenses	25,861		29,325	
Depreciation	23,774		40,193	
Profit on foreign exchange	(2,304)		-	
		(5,399,932)		(5,695,185)
<b>Operating deficit</b>		(4,243)		(219,120)
<b>Interest receivable and similar income</b>				
Bank interest received	24,623		2,561	
Other interest received	560		-	
		25,183		2,561
<b>Surplus/(deficit) before taxation</b>		20,940		(216,559)