



**Inspire**  
Education Group

# REPORT AND FINANCIAL STATEMENTS

For the year ended  
31 July 2024

*Be Bold, Be Brave,  
Be Exceptional*

# GROUP INFORMATION

## Group address

Inspire Education Group  
Park Crescent  
Peterborough  
PE1 4DZ

## Key Management Personnel, Board of Governors and Professional advisers

### Board of Governors

David Pennell  
Rod Allerton resigned 4<sup>th</sup> July 2024  
Suneel Appan from 1<sup>st</sup> September 2023  
Martin Ballard  
Vincent Brittain  
Gillian Beasley  
David Cashmore from 1<sup>st</sup> September 2023  
Marco Cereste  
Nicolas Crippa from 21<sup>st</sup> March 2024  
Professor Sir Les Ebdon  
Mark Haydon  
Tony Keeling  
Angie Morris  
Gemma Roger from 5<sup>th</sup> March 2024  
Jonathan Teesdale  
Faustina Yang  
Qun Yang  
Steve Saffhill (Staff)  
Tony Warner (Staff)  
Jennifer Brassington – Co-opted member of Curriculum & Quality Committee resigned 6<sup>th</sup> November 2023  
Fatimah Fati (Student) resigned 31<sup>st</sup> January 2024  
Emily Shaw (Student) resigned 17<sup>th</sup> April 2024  
Charlotte Berry (Student)

All Governor appointments unless otherwise stated were members of the Board for the duration of the financial year.

Ms Joanne Ulyatt acted as Governance Director and Clerk to the Corporation during 2023/24.

## Key Management Personnel

Key management personnel are defined as members of the Group Executive Team and were represented by the following in 2023/24:

<b>Chief Executive Officer</b>	Rachel Nicholls
<b>Chief Financial Officer:</b>	Louise Perry
<b>Chief Operating Officer:</b>	Ed Thomas
<b>Chief Curriculum Officer:</b>	Julia Bates from 24 <sup>th</sup> June 2024
<b>Executive Director Business Development:</b>	Alison FOX to 29 <sup>th</sup> March 2024
<b>Principal Registered Office:</b>	Peterborough College, Park Crescent, Peterborough PE1 4DZ

## Professional advisers

Financial Statement Auditor	RSM UK Audit LLP, 1st Floor, Platinum Building, St John's Innovation Park, Cowley Road, Cambridge, CB4 0DS
Internal Auditor	Validera, 250 Fowler Avenue, Farnborough, Hants, GU14 7JP
Bankers	NatWest, Cathedral Square, Peterborough, PE1 1XL
Legal Services	Eversheds Sutherland, 115 Colmore Row, Birmingham, B3 3AL

## Objectives and Strategy

The members present their annual report together with the audited financial statements for Inspire education Group for the year ended 31 July 2024.

### Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting educational activities. Inspire Education Group (IEG) was formed on 1<sup>st</sup> August 2020, from a merger of Peterborough Regional College and New College Stamford. The college group is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

The IEG Group had two wholly owned subsidiaries during the year. The subsidiaries compliment the offer made by the main colleges in the Group. University Centre Peterborough (UCP) is the higher education arm for the IEG Group, providing education up to level 6. Quality Resource Solutions Limited (QRS) is used as a service company to provide temporary staffing through a managed service, and also as a vehicle to employ staff that work in the commercial and business support areas of the business.

### Vision and Mission

IEG reviewed and updated its strategy in year; the new five-year strategy was approved in July 2024, to be launched in September 2024. For the purposes of this report the 2021/24 IEG Strategy is referenced.

**Vision** – “To be the first-choice provider of education and training in our region”

**Mission** – “To transform lives through inspirational education and training”

The Group's Strategic Objectives to 31<sup>st</sup> July 2024 were:

- Achieve Excellence
- Financial Sustainability
- Value our People
- Growth
- Positive Impact

Performance against these objectives is detailed from page 10 of this report.

### IEG's Resources

The Group has various resources that it can deploy in pursuit of its strategic objectives.

The Group employs 947 (2022/23 1,029) people, of whom 591 (2022/23 673) are teaching staff. Staff were either employed directly or through Quality Resourcing Solutions Limited, a subsidiary company.

IEG's student population includes 5,078 16 to 18-year-old students, 1,090 apprentices, 674 higher education students, and 7,476 adult learners.

The group has £41.273M (2023 £40.969M) of net assets, long-term debt of £3.765M (2023 £nil) and cash and cash equivalents of £12.428M (2023 £11.510M).

Tangible resources include the following campuses and leased buildings:

- University Centre Peterborough
- Peterborough College
- Media and Journalism Centre (Peterborough College)
- Stamford College
- Borderville Sports Centre (Stamford College)
- Endeavour House (lease ended 31<sup>st</sup> July 2024)
- Jobsmart Broadway Court

IEG has a good reputation locally and nationally. Maintaining a quality brand is essential for the Group's success at attracting students and cementing external relationships.

The IEG Ofsted Inspection in March 2023 recognised that the quality of education across the group is now Good with Outstanding areas of provision being identified for Adults and High Needs. The only aspect that did not meet 'Good' standard was the delivery of apprenticeships. A rapid improvement plan was in place to achieve at least 'Good' by June 2024.

During 2023/24 UCP achieved a TEF silver award for its teaching standards. IEG became one of very few Google Reference colleges in the UK, and the organisation maintained its cyber essentials certification.

### Registrations

UCP is registered with the Office for Students, as the HE provider for the Group.

### IEG's Stakeholders

The Group has many stakeholders, the principal ones include:

- its current, future and past students
- its staff and their trade unions:
  - The senior management team are named on page 3
  - The trade unions of which IEG's staff are members are predominantly the University and College Union, the National Education Union and Unison.
- the employers it works with. The key stakeholders are:
  - Crown Manufacturing
  - Allison Homes
  - Baker Perkins
  - Bakkavor
  - Malcolm Sargent School
  - CTE Services
  - Pilgrims Friend Society
  - McIntyre Electrical
  - Princebuild
  - Radical Sportscars
  - SFS Electrical Contractors
  - The Ark Nursery
  - Whiz Kids Day Nursery
  - EML Electrical
  - Bluebird Care
- its partner schools, colleges, and universities, namely:
  - Casterton School
  - Greater Peterborough UTC
  - Stamford Welland Academy
  - Thomas Deacon Educational Trust
  - Grimsby Institute (LSIF Collaboration)
  - Lincoln College Group
  - Cambridge Regional College
  - Open University
  - Bishop Grosseteste University
- the wider community:
  - Peterborough Citizens
  - Evergreen Care Trust
  - Nene Park Trust
  - Gladca
  - Chinese Community
- Our local authorities, combined authority and Local Enterprise Partnership, principally:
  - Cambridge and Peterborough Combined Authority
  - Greater Lincolnshire Local Enterprise Partnership
  - Lincolnshire County Council
  - Peterborough City Council
  - South Kesteven District Council

### Public Benefit

IEG is an exempt charity under the Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on page 2.

In setting and reviewing the Group'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.

In delivering its mission, the Group provides identifiable public benefits through the advancement of education to over 14,000 full and part time students, including 373 students with high needs.

The Group provides courses without charge to young people, to those who are unemployed, and adults taking English and maths courses. IEG adjusts its courses to meet the needs of local employers and provides training to 1,090 apprentices. The Group is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

The Group is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

In setting and reviewing the Group'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.

In delivering its mission, the Group provides identifiable public benefits through the advancement of education. The Group provides courses without charge to young people, to those who are unemployed and adults taking English and maths courses. The Group adjusts its courses to meet the needs of local employers and provides a range of apprenticeships. The Group is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

## Development and Performance

### Current Performance

#### Student numbers 2023/24

The Group enrolled students across multiple campus and organisation as follows:

Type of Provision	Numbers enrolled in 2023/24	Numbers enrolled in 2022/23
Education Programmes for young people	5,097	4,645
Adult learning programmes	4,396	3,768
Apprenticeships 16-18	361	431
19+	729	816
Provision for students with high needs (Inc. above)	373	357
Delivery through partners (Inc. above)	2,114	2,085
Higher education	578	734

#### Student achievements

The data table below shows overall retention, pass and achievement rate percentages for the Group in 2023/24 and two prior years:

All Ages	2023/24			2022/23			2021/22		
	IEG	Provider Group	National Average	IEG	Provider Group	National Average	IEG	Provider Group	National Average
Leavers	17,356			15,481			14,773		
Retention %	93.7%	NA	92.2%	93.7%	91.4%	90.4%	93.0%	NA	92.9%
Pass %	94.1%	NA	94.1%	94.1%	91.7%	92.4%	93.1%	NA	93.9%
<b>Achievement %</b>	<b>88.2%</b>	<b>NA</b>	<b>84.2%</b>	<b>88.2%</b>	<b>83.8%</b>	<b>83.6%</b>	<b>86.6%</b>	<b>NA</b>	<b>86.7%</b>



### Curriculum developments

The Group regularly reviews its curriculum offer to meet Government and funding agency priorities and the Local Skills Improvement Plan priorities, including improving the skills of workers in the key areas of health, care, construction, manufacturing, leadership and management, and IT sectors.

Specifically, our focus is:

- 16 – 18 full and part-time learners
- Skills for Life (16 – 18 and 19+ Adult)
- Adult Level 2 and 3 entitlement programmes
- To target learners not in education, employment or training (NEET)
- Providing a good quality higher education offer
- Developing our apprenticeship provision
- Providing tailored programmes to meet employer requirements

Our curriculum provides a broad-based mix of academic, technical and vocational programmes (NVQ and National Certificate/ Diplomas, etc.) that appeals to a wide range of students and employers and provides clear, coherent progression opportunities from pre-entry level 1 to level 3 and Higher Education (through partnerships with Open University, Anglia Ruskin University, Bishop Grosseteste University and Pearson). Increasing key and functional skills achievement rates is a priority and we have embedded key skills delivery within the main programme wherever possible.

We have responded to community and business needs through flexible curriculum design and customised training services which suit customer needs and diversify the range of income streams to complement core ESFA income.

The Group has continued to build effective links with local schools, expanding 14-16 provision in year. We have developed strong links with other agencies in order to market our programmes directly to the 'Not in Employment, Education or Training' (NEET) group and to gain access to employers of those young people who fall into the NEET group.

From August 2020 the Group received a significant proportion of the Adult Education Budget from Cambridge and Peterborough Combined Authority, the Group built a collaborative relationship with the authority, and delivered 102% of the allocation through innovative on-line programmes and as well as face to face delivery.

Through University Centre Peterborough, a wholly owned subsidiary, we are continuing to develop a Higher Education portfolio which is responsive to the local skills sector and employment needs, and which increases the level of participation in the sub region, particularly amongst those groups currently under-represented in higher education (HE).

### **IEG 2021/24 Strategy**

The Inspire Education Group 2021/24 Strategy was published in August 2021.

The ambition is set out against a background in which the FE sector has faced a period of unprecedented austerity cuts, and a period of high inflationary pressures. The Group has had to align its operations accordingly, and pre-empt funding levels through a continued focus on business efficiency. At the same time, focusing on the imperative of improving quality standards, against a backdrop of national performance measures and extensive curriculum reform.

### **Progress against strategic objectives**

During 2023/24 the operational challenges in educating our students post-pandemic lessened. Though the challenge of pay pressure was incredibly high during the year, and absence levels for students remained higher than pre-pandemic levels.

There is no doubt that progress in all areas of the strategic objectives remained challenging. In particular, apprenticeship opportunities did not grow as planned, and our students' opportunity to gain work experience remained lower than the pre-covid levels.

Notwithstanding these difficulties, the fourth academic year of IEG was a success, following the 2023 'Good' Ofsted rating and sustaining the elevated levels of attainment first observed in 2022/23.

### **Achieve Excellence**

To be recognised as an outstanding Group, delivering inspirational education and training which enables young people and adults to achieve their ambitions, and promotes social and economic prosperity in our regions.

Our measures of success by 2024 will be:

- Achievement rates 3% above national averages in all categories of learning
- Attendance rates consistently above sector norms
- Increase in positive student destinations to 93%
- Increase in internal student progression to 55%
- Student satisfaction rates at 90% or above
- Progress scores at or above average in most categories

### *Our 2023/24 Progress*

IEG have maintained the quality improvements seen in 2022/23 during the current year. IEG again demonstrates a strong commitment to quality education, meeting regional skills needs, and positive student outcomes.

Retention and pass rates for full time further education students were maintained in the year, with overall achievement rates static at 88.2%, this is 4% above the national average.

GCSE English achievement rates were 17.7% above national average, and GCSE maths 14% above the national average.

- On Degree Programmes 83% of students achieved First or Upper Second
- HNC and HND Programmes over 85% of students achieved Merit or Distinction
- Apprenticeship achievement rates of 63.2% up from 53.6% in 2022/23
- 90.22% of FE students said in the end of year survey said they would recommend their college to others
- 91% of FE students said they believe the knowledge and skills they have learnt on their course has prepared them for their next steps and career pathway
- High levels of Internal progression rates for our 2024/25 students, 45% (2,528) students progressed onto a higher-level course.

### **Value Our People**

Support and invest in our people and their wellbeing, creating an exceptional working environment where colleagues feel valued and empowered.

Our measures of success by 2024 will be:

- Staff satisfaction rates consistently 5% above benchmarked averages
- Staff absence at or below sector average
- Staff turnover at or below sector average
- Minimum £200K pa investment in continuing professional development
- Achievement of all Group environmental sustainability objectives
- All departments exceed minimum health and safety audit thresholds.

### *Our 2023/24 Progress*

We have continued to achieve many positives in year, in detail:

- Staff satisfaction survey results showed a marked improvement against the prior year
- Absence at 31<sup>st</sup> July 2024 was an average of 8.5 days, above the strategic target of an average of 5.5 days
- Staff turnover at 31<sup>st</sup> July 2024 was 16.8%, below the strategic target of 18.2%, but with significant numbers of vacancies, many due to internal promotions and also people returning to IEG
- Achieving a retention rate of over 90% for people in their first year of employment
- IEG continued to invest in staff development, in both time and funding investing £510,000 in the academic year, including £285,000 from the apprenticeship levy
- Running a successful Emerging Leader development programme for aspiring managers and Management Development Programmes for new managers
- Developing our non-pay benefits package including a comprehensive discount platform and a range of discounted memberships and services
- No departments were rated red in Health and Safety audits in year
- There was one RIDDOR reportable accident during the 2023/24 academic year.

### **Growth**

Grow and diversify the Group in response to the local, regional and national needs, developing opportunities for upskilling, retraining, personal progression and business growth.

Our measures of success by the end of 2024 will be:

- Increase in positive student destinations to 93%
- Clear line of sight between Group provision and the skills needs identified by the Skills Advisory Panels in Cambridge and Peterborough, and Lincolnshire
- Highly effective and successful collaborative partnerships which meet specialist and niche employer needs
- Targeted commercial ventures which thrive and grow and make a demonstratable contribution to regional employment opportunities
- The Group's contribution to economic impact as measured by the Local Enterprise Partnership and Combined Authority.

Our 2023/24 progress was considerable against the challenges faced in the prior years.

- In the survey undertaken during 2023/24, relating to summer 2023 leavers, 95% of students aged 16-19 achieved their goal to further study or employment and 87% of adults studying at IEG progress onto FE or employment
- Growth in full time 16-18 students of 433
- Curriculum strategies strongly reflect the local skills priorities, and are demonstrated in the IEG accountability statement
- IEG maintains strong links with the Greater Lincolnshire LEP and the Cambridge and Peterborough Combined Authority (CPCA)
- IEG produced our second accountability statement
- IEG delivered multiply programmes (maths)
- Overall commercial activities financial performance improved against the prior year, though the high inflationary environment remained an operational challenge during the year.

### **Financial sustainability**

Ensure robust financial management which returns an annual surplus and supports investment in the Group infrastructure and provision of industry-standard learning facilities.

Our measures of success each year will be:

- Surplus (Sector EBITDA) at 6% of income
- Staff costs <65% of income
- Cash days >60
- Borrowing <15% of income
- Adjusted current ratio 1.5
- Capital investment £3.5M
- Financial Statements unqualified audit opinion.

## Financial Review

Our 2023/24 progress is defined in the table below:

	2023/24 Target	2023/24 Actual
Financial Health	Good	<b>Outstanding</b>
Financial Management	Good	<b>Outstanding</b>
Cashflow from operations before Capital Investment £'000s	3,514	<b>3,066</b>
Over 60 days cash in hand	78	<b>83</b>
Current ratio above 1.4	1.49	<b>1.90</b>
Positive Balance on reserves (excl. Pension Liability) £'000s	42,952	<b>41,273</b>
Cash based operating surplus greater than 6% of income	6%	<b>4%</b>
Pay costs as a percentage of income	68.42%	<b>65.00%</b>
Borrowing less than 30% of income (Excluding Capital Grant Funding)	6.94%	<b>6.94%</b>
Borrowing less than 20% as a % of net current assets (excl. pension liability)	27.97%	<b>39.40%</b>

The Group made a surplus of £0.304M (2022/23 surplus of £5.710M, part of this was caused by the revaluation of the Group's share of the Local Government Pension Scheme assets and liabilities, and the transfer of a building used for higher education). The Group's operating performance was £0.865M (2022/23 deficit of £0.863M).

The surplus was lower than target as a result of high levels of full time 16-19 student growth, particularly in maths and English enrolments, as a result of the movement of grade boundaries. This pushed up teaching and exam costs in the year. The other key reason was to provide a competitive pay award settlement to staff in a year that saw exceptionally high cost of living inflation.

The Group has accumulated reserves of £41.273M (2022/23 £40.964M) and cash and cash equivalent investment balances of £12.428M (2022/23 £11,510M).

The Group has significant reliance on the ESFA and CPCA for its principal funding source, largely from recurrent grants. In 2023/24 this was 80%, in 2022/23 the ESFA/CPCA provided 68% of the Group's total income.

The Group is required to complete the Annual Finance Record for the Education and Skills Funding Agency ("ESFA"). The Finance Record produces a financial health grading. The rating for 2023/24 is 'Outstanding' financial health.

### Capital Investment

The Group invested £9.932M in capital expenditure. The majority of investment in 2023/24 related to the construction of the Centre for Green Technology at Peterborough College, refurbishment of a number of areas of college buildings, IT and curriculum equipment replacement. The net book value of the tangible asset at the end of 2023/24 was £56.547M (2022/23: £49.617M)

IEG continued to develop the Centre for Green Technology project, a £13.9M project, providing a three-storey building consisting of workshops, laboratories and classrooms. IEG obtained full planning permission for the building in April 2023. The building construction commenced in October 2023 and is on target to complete in January 2025.

The group secured £0.9M in grant funding in 2022 to support a £3M refurbishment programme at Peterborough College. This programme focused on the improving the fabric of the building and started in 2022, and will complete in October 2024, with the aim of improving building efficiency, and has been achieved by replacing roofs, heating systems, lighting and windows over the two years of the programme.

IEG received an energy grant of £0.394M in 2022/23, this was deployed to upgrade one block to become as close to net zero as possible, the work completed in October 2023.

In UCP £0.206M capital was utilised upgrading higher education facilities during 2023/24. This was funded by the OfS capital grant, internal reserves, and a grant to develop higher technical qualifications, this grant was a mixture of capital and revenue funding.

The Group secured two Local Skills Investment Fund grants totalling £0.701M (including revenue funding), one for Peterborough College and one for Stamford College. During 2023/24 £0.560M capital was deployed to provide state of the art equipment for key sectors, the remainder will be utilised before March 2025.

The Group invested £1.615M of other capital in projects covering technology upgrades, curriculum equipment, and estates upgrades.

### Cash flows

The operating cash inflow for the year was £0.435M, with £9.924M gross/£0.951M net was invested in capital asset investments.

### Liquidity

The Group currently has cash reserves of £10.436M (2023: £9.606M) During 2023/24 IEG paid off an existing loan in full in September 2023 (£0.555M). IEG also entered into an agreement for a loan with the Department for Education of £5.5M to support capital investment. By 31<sup>st</sup> July 2024 IEG had drawn down £4.177M of the loan, the remainder will be drawn down in early 2024/25.

### Treasury policies and objectives

The Group has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities.

The Group had two subsidiary companies throughout the year, University Centre Peterborough (UCP), and Quality Resourcing Solutions Limited (QRS).

### Future Prospects

#### Future developments

There are some exciting curriculum developments taking place, to grow the Group in the forthcoming and future years. Key changes in 2024/25 are:

- 14-16-year-old provision is continuing to expand, working directly with six Peterborough Schools this is seen as a key area for growth for the organisation
- A partnership with the 'Code Institute' delivered web development courses, this will continue to expand in the current year
- A partnership with Mindful Education to deliver blended learning through innovative online platforms
- The centre for Green Technology building will complete, creating over 2,400 sqm of high-quality learning space, focused on sustainable industries
- A significant expansion of T level delivery in September 2024
- UCP will commence delivery of 'higher technical qualifications' (HTQs)
- Joining Lincolnshire Institute of Technology, a collaborative project with other colleges, and NHS in Lincolnshire to address workforce challenges.

In addition, the Group is working with partners across the region to develop and deliver new and innovative education and training programmes in response to government policy. From 2024/25 IEG will continue to further deliver projects including:

- Heavy Goods Vehicle Training Following the success of our HGV training in Peterborough this is now in place at Stamford College, funded through GLLEP to deliver a similar programme in Lincolnshire over the next year.
- Multiply Funding Multiply is a national fund to support the engagement of individuals into numeracy training with the intention of improving the numeracy skills of individuals across the country. The second phase is underway and is expected to continue to 2025.

#### Financial plan

The IEG governors approved a financial plan in July 2024 that sets objectives for the period to 2027. The plan was written to maintain its financial health rating of 'Good' and achieve a surplus in the year to 31 July 2025 and all future years, in line with the Group's Strategic Objectives.

Student recruitment in September 2024 showed significant growth in further education, with a reduction in HE student numbers. The level of growth will put extreme pressure on the expenditure budgets in year. Grant funding to develop higher level apprenticeships was awarded in September 2024, this has not significantly altered the surplus forecast of the 2024/25 plan.

#### Reserves

The IEG Corporation approved a Reserves Policy for the Group in July 2024, recognising the importance of reserves in the financial stability of any organisation.

## IEG Strategic Report, contd.

To ensure that IEG can meet its ongoing obligations the reserves policy focuses on three metrics:

- the level of overall reserves, set at 60% of operating income
- the net current assets position being in excess of 10% of operating income
- the levels of cash balance available at the end of each financial year exceeding 60 days of operating expenditure

The amount of total funds the Group holds at the end of the reporting period in cash and investments was £12.428M.

	2023/24
The total amount of funds the group holds at the end of the reporting period	£41.273M as per Group Balance Sheet
Funds which are restricted and not available for the general purposes of the group at the end of the reporting period	Restricted Reserves - £0.005M Revaluation Reserve - £7.490M Capital Reserve - £0.115M
Identify and explain any material amounts which have been designated or otherwise committed at the end of the reporting period	Centre for Green Technology construction contract £5.798M Refurbishment Programme £0.074M
The timing of the expenditure of any material amounts designated or otherwise committed at the end of the reporting period	The construction contract for the Centre for Green Technology is due to complete in January 2025 and the Refurbishment programme in December 2024.
Identify the amount of any fund that can only be realised by disposing of tangible fixed assets	£31.719M (total reserves less Net Current Assets)
The amount of reserves the group holds at the end of the reporting period after making allowance for any restricted funds, and the amount of designations, commitments (not provided for as a liability in the accounts) or the carrying amount of functional assets which the group considers to represent a commitment of the reserves they hold	Net Current Assets £9.554M as per Group Balance Sheet  Less: £5.9M capital commitments  Revised value £3.654M
Compare the amount of reserves with the groups reserves policy and if relevant, explain what steps are being taken to bring the amount of reserves held into line with the level of reserves identified by the Governors as appropriate given their plans for the future activities of the group	Overall reserves to be in excess of 60% of income - July 2024 103%  Liquid Reserves as a percentage of operating income (net of donated assets) to be greater than 10% - July 2024 17%  Cash Holding at min 60 days of expenditure - July 2024 80 days



### Principal Risks and Uncertainties

The Group continues to embed a strong system of internal control, including financial, operational and risk management which is designed to protect the Group's assets and reputation.

Based on the strategic plan, the Risk Management Group undertakes a comprehensive review of the risks to which the Group is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Group. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the

Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the Group. This is supported by a risk management training programme to raise awareness of risk throughout the Group.

A Board Assurance Framework (BAF) and risk register is maintained at Group level. The BAF is reviewed monthly by the Executive Team, and at each Board meeting, and a full risk report, including the BAF and the risk register, is considered at each Audit Committee. The BAF and risk registers identify the key risks, the likelihood of those risks occurring, their potential impact on the Group and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

The principal risk factors that may affect the Group relate to the non-achievement of strategic aims, throughout the year there were thirteen risks reported within the Board Assurance Framework. They are managed using a three lines of defence model, with an active action plan for each risk. The nature of the risks remains relatively consistent, as they are inherent multi-year risks that are integral part of running a further and higher education group. Within 2023/24 an apprenticeship risk was added, and two risks were at target (subcontractor and quality risks) the remaining strategic risks remained relatively consistent, with the enrolment risk reducing towards the end of the year.

Most strategic risks have a strong external dynamic, with management controls and action plans that demonstrate how IEG is, where possible, controlling external as well as internal risks. These risks are:

## IEG Strategic Report, contd.

Strategic Risk Area	Description
<b>Positive Group Ethos</b>	Failure to establish a positive group ethos resulting in: Low staff morale, impacting on achievement of the Group's goals and aims Degredation of the student learning experience and support Lack of innovation and organisational development
<b>Enrolments</b>	The Group fails to attract sufficient applicants, and fails to convert applications into enrolments, resulting in: Poor recruitment and unviable courses would lead to less choice for students The Group would lose significant financial resource, which could result in courses being closed and redundancies
<b>Governance</b>	Failure of the Governing Body to effectively provide strategic direction and monitor Group performance resulting in: Students failing to optimise their performance and personal outcomes A poor Ofsted grade Failure to achieve strategic goals and aims
<b>Cyber Security</b>	The Group suffers a major IT cyber security breach or technical failure resulting in: Students losing the ability to access work or complete exams The loss of key college systems, and the ability to meet statutory return obligations to funding bodies, HMRC, etc.
<b>Safeguarding</b>	A major safeguarding incident occurs within the College or sub-contractor, and is not dealt with appropriately, resulting in: Student suffers mental or physical harm IEG suffers reputational damage as a result of a serious safeguarding breach.
<b>Subsidiaries and Sub-contractors</b>	Subsidiary and sub-contractor performance issues resulting in: Students do not achieve desired outcomes, impacting on their destination options Financial losses may result if performance is not to standard The Group fails to meet ESFA or CPCA subcontracting requirements and has restrictions imposed - ESFA cap on subcontracting in each individual funding line
<b>Stakeholders</b>	Stakeholders fail to support the Group when needed to both provide influence on government bodies (MP) and remain a trusted partner (ESFA, LAs, LEP, CPCA) resulting in: Students and communities do not recognise the Group as a good place to enrol. Reputational damage, and a loss of goodwill within the wider community. Failure to secure funding for projects - capital and revenue
<b>Health and Safety</b>	Staff, students or a visitor suffers illness or a serious accident, as a result of a Health and Safety breach, resulting in a life changing injury or death IEG is prosecuted or fined by HSE
<b>Finance</b>	Failure to maintain a financial health rating of good, by not securing year on year surplus/net cash inflow and poor cash management leading to financial instability. Resulting in IEG being unable to invest in good quality resources and services to enhance the student experience.
<b>Quality</b>	The achievement rates/student outcomes decrease when compared to prior years resulting in: Students do not achieve desired outcomes, impacting on their destination options IEG's position in National Performance Tables and/or Ofsted grade which in turn may impact on future recruitment/reputation
<b>Higher Education</b>	HE income declines as a result of increased competition from ARU Peterborough (this risk is also on the UCP Council separate risk register) resulting in: Staffing may be impacted as a result of local HE competition who may be able to offer more favourable terms and conditions. The Group could see a reduction in a significant income stream.
<b>Staffing</b>	Failure to attract, recruit and retain staff results in a lack of continuity for students, and possible impact on the quality of education, the inability of the organisation to meet compliance and statutory responsibilities, and increased costs to employ temporary staff.
<b>Apprenticeships</b>	Apprenticeship performance issues resulting in: Continuing poor achievement rates impacting on reputation with key stakeholders i.e students, employers, ESFA Financial losses may result if performance is not to standard and recruitment continues to fall. The Group fails to respond to Ofsted areas for improvement impacting on overall judgement for the Group.

### Key Performance Indicator Reporting

The Group provides a dashboard of Key Performance Indicators for Governor scrutiny at each Board meeting. This includes student attendance, retention and achievement. These are benchmarked against national averages and targets are agreed annually with the Corporation. The dashboard also covers all key strategic plan areas, of growth, financial, staffing and health and safety performance and sustainability metrics. The targets and performance against these targets are shown in this report on pages 8 to 15.

### Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Groups, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1 August 2023 to 31 July 2024 the Group paid 64% of its invoices within 30 days. The Group incurred no interest charges in respect of late payment for this period.

## Streamlined Energy and Carbon Reporting

The Group is committed to reducing its carbon emissions and this report shows that the measures taken in prior years and during the year are having an impact.

There has been an overall reduction of 2.8% in emissions over the year, but a 5% increase in emissions per staff member during 2023/24. This is based on the average number of employed staff per year of 947, as well as growth in students on the two main sites. This metric excludes any agency workers employed during the year.

IEG is committed to reducing its carbon emissions and has taken the following measures in the year to improve energy efficiency:

### Peterborough College and UCP

- Consolidated provision in Peterborough to maximise building utilisation
- Centre for Green Technology build commenced. This is a new net zero building at Peterborough to deliver Green Technologies curriculum
- Replaced 17 distribution boards on the Peterborough campus
- Two buildings have had their boilers replaced
- Warm air heating unit to replace old gas boiler, new water heater and pipes in one building
- Upgraded external lighting on the Peterborough campus to LED
- 339 lights replaced to LED throughout the buildings
- Insulation and recovering of roofs to reduce thermal loss in three areas
- Windows and heating replacements in 12 rooms on the Peterborough campus
- Upgraded equipment in commercial kitchens was installed to reduce food waste.

### Stamford College

- Upgrades of 62 lights to LED
- Insulation and recovering of roofs to reduce thermal loss
- 2 boilers replaced with 1 energy efficient model.

### Group

- Encouraged hybrid working across the group for staff
- Promoted the cycle to work scheme for staff
- Reviewed the home to college transport for students to reduce duplication where public transport routes exist, while encouraging the use of public transport where possible
- Staff have undertaken training on new methods of emissions reduction in the Construction industry
- Upgrading of and reduced the Digital signage to timer-controlled energy efficient models.

### Recognition of IEG Progress

- The Group won a Green Apple International Silver Award for Environmental Best Practice in Education and Training 2023
- The Group won an International Gold award in the Corporate Social Responsibility (CSR) awards 2024 for the work undertaken to reduce our carbon footprint, and embed sustainability and new green technologies to our learners
- The Modern Methods of Construction Centre on the Stamford campus won an International Building & Construction Green Apple Award 2024
- The Group maintained its Investors in the Environment (IIE) Green award, showcasing that the improvement works being undertaken are reducing our carbon footprint and improving environmental sustainability.

### Future Plans

- Boiler replacement for the main building at Peterborough – moving from 50% to 60% efficiency up to 97% gross seasonal efficiency, condensing boilers that will significantly reduce energy usage and provide a reliable source of heat
- Replacement of more windows on the Peterborough site
- Replace the Group pool vehicles with lower emission alternatives
- Green Technology Centre will be open early 2025 and will have the capability of generating nearly 70,000 Kwh per annum of electrical power through its Photovoltaic panels
- Staff to undertake further Environmental and Sustainability courses
- Raising awareness throughout the Group of our waste and recycling processes to reduce the tonnage that comes on and off site
- Create an additional a low carbon teaching space in Stamford
- Reusing old boilers from site and local companies to be used as teaching resources
- Our Commercial catering team are working towards:
  - Greater levels of discount available for reusable containers/cups/bottles
  - Working with suppliers to take away their own packaging and reduce the amount they use in general.

## IEG Strategic Report, contd.

The Group's greenhouse gas emissions and energy use for the period calculated in line with the 2019 HM Government Environmental Reporting Guidelines, the GHG Reporting Protocol – Corporate Standard and the 2024 UK Government's Conversion Factors for Company Reporting are as follows:

<b>UK Greenhouse gas emissions and energy use data for the period</b>	<b>2023/24</b>	<b>2022/23</b>
<u>Energy consumption used to calculate emissions (kWh)</u>		
Gas	3,733,219.45	3,944,802.42
Electrical	2,590,255.28	2,857,139.10
Transport Fuel	207,030.76	112,943.50
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	682.81	710.06
Owned transport	25.97	24.53
<b>Total</b>	<b>708.78</b>	<b>734.59</b>
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	<b>505.72</b>	<b>520.00</b>
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	<b>24.66</b>	<b>20.27</b>
<b>Total gross emissions in metric tonnes CO2e</b>	<b>1,239.16</b>	<b>1,274.86</b>

### Intensity ratio

Metric tonnes CO2e per staff member

**1.31**

**1.24**

### **Intensity ratio**

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per staff member, the recommended ratio for the sector.

## Trade Union Facility Time

IEG entered into a formal recognition agreement in August 2021. The agreement allows for union time in accordance with the table below.

Number of Union members	Hours allocated per academic year
1 to 20 members	22 hours
21 to 40 members	44 hours
41 to 60 members	66 hours
61 to 80 members	88 hours
81 to 100 members	110 hours
101+	132 hours

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Group to publish information on facility time arrangements for trade union officials at the Group.

Number of employees who were relevant union officials during the relevant period	FTE employee number
2	1.8

Percentage of time spent on facility time	Number of employees who were relevant union officials during the period
0%	-
1-50%	2
51-99%	-
100%	-

Total cost of paid trade union activities	£12,117
Total pay bill	£37.752M
Percentage of pay bill spent on facility time	0.03%

Time spent on paid trade union activities as a percentage of total paid facility time	100%
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### Equality and Diversity

#### **Equal opportunities and employment of disabled persons**

IEG is committed to fostering a welcoming and inclusive environment where everyone feels valued and respected. We champion equality of opportunity for all, irrespective of race, gender, sexual orientation, disability, religion or belief, age, or any other characteristic. Our 2024-2030 Equality, Diversity and Inclusion (EDI) strategic plan outlines championing (EDI); to forge a truly inclusive organisation where everyone has equality of opportunity to succeed.

Our commitment is to go beyond legislation and to be recognised as a leader of Equity, Diversity and Inclusion.

The Group is a 'Disability Confident Employer' - a Government scheme (previously known as the "Two Ticks" symbol) which recognises employers' work in attracting, retaining and valuing disabled people, ensuring that disabled people and those with long term health conditions have the opportunities to fulfil their potential and realise their aspirations. The Group achieved recognition in 2020.

The Group considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Group continues. The Group's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees. An equalities plan is published each year and monitored by managers and governors.

Our facilities are designed to be accessible, and we regularly review and update our access audit to ensure we meet the needs of all individuals.

The Ability Not Disability special interest group will drive the implementation of inclusion strategies to enable the physical and online environment to be accessible to all staff. The group will look to support strategies which will ensure equitable experiences to provide equal access for staff to fully engage in their working environment.

**Gender pay gap reporting**

IEG publishes a Gender pay gap report annually on [www.ieg.ac.uk](http://www.ieg.ac.uk). The following tables summarise this report.

	Year ending 31 March 2024
Mean gender pay gap	9.37%
Median gender pay gap	16.76%
Mean bonus gender pay gap	2.6%
Median bonus gender gap	19.6%
Proportion of males/females receiving a bonus	1.28% male 0.65% female

The proportion of males and females in each quartile of the pay distribution are:

	Males	Females
1 - Lower quartile	23.18%	76.82%
2	28.76%	71.24%
3	35.19%	64.81%
4 – Upper quartile	53.02%	46.98%

**Disability Statement**

The Group seeks to achieve the objectives set down in the Equality Act 2010

- There is a list of specialist equipment, such as radio aids, which the Group can make available for use by students and a range of assistive technology is available
- The admissions policy for all students is described in the Group charter. Appeals against a decision not to offer a place are dealt with under the complaints policy
- The Group has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities
- Specialist programmes are described in Group prospectuses, and achievements and destinations are recorded and published in the standard Group format
- Counselling and welfare services are described in the Group Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction



### Going concern

Following the reclassification of FE colleges and their subsidiaries to the government sector in November 2022, the Group has continued to account for all the regularity requirements and financial management as set out by the ONS within the financial controls, management and forecasts.

The financial position at the balance sheet date was such that the group believes it had sufficient resources to continue to meet the liabilities of the continued operations of Inspire Education Group. This assessment has been made by the Corporation having reviewed the current and future year forecast to July 2027. This forecast includes the assets, liabilities and ongoing operations of the organisation. This review reflects HE recruitment and plans for new courses and anticipates growth in both 16-18 full time student income, with no growth in apprenticeship income. The additional core funding rate for 2025/26 has not been increased ahead of any Government announcements. Costs include the impact of 2024/25 modelled pay awards. All figures consider the risks posed by the inflationary environment and all other principal risks and uncertainties identified. The cash position includes an assessment of the impact of current and projected capital plans and their associated DfE loan financing and/or grant funding. The members of the Corporation make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Group has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Group's ability to continue as a going concern. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

### Events after the reporting date

There are no events to report.

### Disclosure of information to auditors

The Members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware; and each Member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

**Approved by order of the members of the Corporation on 12<sup>th</sup> December 2024 and signed on its behalf by:**



David Pennell  
Chair

## IEG Governance Statement

The following statement is provided to enable readers of the annual report and accounts of the Group to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2023 to 31 July 2024 and up to the date of approval of the annual report and financial statements.

The Group endeavours to conduct its business:

- in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership)
- in full accordance with the guidance to colleges from the Association of Colleges in the Code of Good Governance for English Colleges ("the Code")

The Group is committed to exhibiting best practice in all aspects of corporate governance and in particular the Group/Board has adopted and complied with the AoC Code of Good Governance.

In the opinion of the Governors, the Group complies with all the provisions of the Code and it has complied throughout the year ended 31 July 2024. This opinion is based on an external review of compliance with the AoC Code of Good Governance carried out by the Education and Training Foundation and reported to the Corporation Board on 5<sup>th</sup> March 2024.

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges, March 2015 (amended May 2019). IEG adopted this at the inaugural board meeting on the 3<sup>rd</sup> August 2020.

## IEG Governance Statement, contd.

### Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as listed in the table below.

Name	Membership Category	Date Appointed/ Reappointed	Term Expires	Committees Served	Total Attendance	Possible Attendance	Percentage
Rachel Nicholls	CEO	Ex-Officio	N/A	Corporation, F&R, C&Q, Search	18	20	90%
Rod Allerton	External	3/8/2020	3/7/2024	Corporation, F&R, C&Q	10	12	83%
Martin Ballard	External	3/8/2020	31/7/2024	Corporation, Audit	6	11	55%
Vincent Brittain	External	3/8/2020	3/7/2025	Corporation, C&Q	8	10	80%
Marco Cereste	External	3/8/2020	3/7/2027	Corporation	4	7	57%
Les Ebdon	External	3/8/2020	3/7/2025	Corporation, UCP Council	8	10	80%
Tony Keeling	External	3/8/2020	31/7/2025	Corporation, Audit, Search, UCP Council	14	14	100%
Angie Morris	External	3/8/2020	31/7/2024	Corporation, F&R, Search	11	13	85%
David Pennell	External	3/8/2020	31/7/2025	Corporation, F&R, Search	13	13	100%
Jonathan Teesdale	External	3/8/2020	3/7/2027	Corporation, C&Q	7	10	70%
Faustina Yang	External	13/12/2023	12/12/2024	Corporation, F&R	5	10	50%
Qun Yang	External	13/12/2023	12/12/2024	Corporation, Audit	3	8	38%
Gillian Beasley	External	18/10/2022	17/10/2025	Corporation, Audit	6	11	55%
Pamela Kilbey	External	23/2/2023	22/2/2027	Corporation, C&Q	13	13	100%
David Cashmore	External	1/9/2023	31/8/2027	Corporation, F&R	10	10	100%
Suneel Appan	External	1/9/2023	31/8/2027	Corporation, F&R	10	10	100%
Gemma Roger	External	5/3/2024	4/3/2028	Corporation, Audit	6	6	100%
Nicholas Crippa	External	21/3/2024	20/3/2028	Corporation, C&Q	3	4	75%
Anthony Warner (Staff)	Staff	31/10/2023	30/10/2027	Corporation, C&Q	10	10	100%
Steve Saffhill (Staff)	Staff	31/10/2023	30/10/2027	Corporation, C&Q	9	10	90%
Charlotte Berry	PC Student	5/3/2024	31/7/2024	Corporation, C&Q	2	5	40%
Emilie Shaw	SC Student	31/10/2023	Resigned 17/04/2024	Corporation, C&Q	2	5	40%
Fatimah Fati	PC Student	31/10/2023	Resigned 31 January	Corporation, C&Q	1	3	33%
Jennifer Brassington	External (co-opted)	13/12/2021	Resigned 06/11/2023	Co-opted member of C&Q	0	1	0%
Pam Vaughan	External	13/12/2021	Resigned 20/11/2023	Corporation, C&Q	0	2	0%

### The Governance Framework

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Corporation is provided with regular and timely information on the overall financial performance of the Group 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. The Corporation meets five times a year.

## IEG Governance Statement, contd.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Finance and Resources, Remuneration, Governance and Search, Curriculum and Quality, and Audit. Full minutes of all meetings except those deemed to be confidential, are available from the Governance Director:

Inspire Education Group  
Park Crescent  
Peterborough  
PE1 4DZ

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

All Governors are able to take professional advice in furtherance of their duties at the Group's expense and have access to the Governance Director, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Governance Director are matters for the Corporation as a whole.

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

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation 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.

There is a clear division of responsibility in that the roles of the Chair and CEO are separate.

### **Appointments to the Corporation**

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Governance and Search Committee which is responsible for the selection and nomination of any new members for the full Corporation's consideration.

The Corporation is responsible for ensuring appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years.

A member shall ordinarily serve for no more than two consecutive periods of four years. Any term beyond 8 years is subject to particularly rigorous review and must take-into-account the need for progressive refreshing of the Corporation membership.

## IEG Governance Statement, contd.

### Corporation Performance

During 2023/24 two Governor development events were held on 3<sup>rd</sup> October 2023 and 21<sup>st</sup> March 2024. Each Governor was provided with information throughout the year on relevant training and development opportunities, and a range of on-line training modules are available throughout the year.

Alongside an external review carried out by the Education and Training Foundation for the year 2023/24, the IEG Corporation produced and considered an annual self-assessment report (SAR) of 2022/23 when developing an action plan for 2023/24. The Governance Director ensures that an assessment against the AoC Code of Good Governance is reviewed annually. The review of governance performance is summarised below; each area was rated green.

From these assessments a number of actions were identified and are shown in the table below. This action plan will be reviewed in 2024/25.

### Governance Improvement Plan 2023/24

GOVERNANCE AREA	RECOMMENDATION
Opportunities at Board meetings to enhance strategic discussion	Review business cycles and agendas; consider incorporating a key strategic item for each meeting or simply flagging which item is the key strategic item of the meeting where it is already in situ.
Differentiation between operational and strategic reporting	Review business cycles and terms of reference for committees to identify where operational reporting could be reduced. Introduce colour coding to differentiate items and assess their value/prioritise strategic items.
Develop and enhance Governor Induction	<p>Incorporate ongoing development and mentoring opportunities to expand existing approach.</p> <p>Develop a handbook/directory of key information to enhance induction experience of new members and enable them to “hit the ground running”.</p>

## IEG Governance Statement, contd.

<b>GOVERNANCE AREA</b>	<b>RECOMMENDATION</b>
Development & Training Opportunities	<p>Introduce a CPD Calendar to Team Engine to support governors with training opportunities all in one place.</p> <p>Work with CEO and Chair to develop effective governor development events to ensure governors are developing in their roles.</p>
Training session on understanding financial data	Consider as part of the governor development event sessions (or possibly offer as an optional session as not all governors need it).
Develop culture of the Board	Look at how culture and values can be tested and made more visible through a more reflective and developmental approach.
Information for governors	Review front page summary sheets to ensure governors are keenly aware of what is expected of them and how the report meets strategic priorities. Also consider how much information governors need within main papers and continue to move more detailed information to supplementary packs.
Further embed use of portal to maximise functionality available.	Review with users and actively promote and encourage the use of additional functions.
Strengthening the UCP Governance structure to ensure effectiveness and reduce duplication of work.	Review structure and contribute to options appraisal.

### Remuneration Committee

Throughout the year ending 31 July 2024 the Group's Remuneration Committee comprised four members of the corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel.

The AOC's Senior Staff Remuneration Code was adopted in 2021/22.

Details of remuneration for the year ended 31 July 2024 are set out in note 8 to these financial statements.

### Audit Committee

The Audit Committee comprises no fewer than 3 and no more than 6 Members of the Corporation (excluding the CEO), one of whom is Chair and no more than two external Members. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee met four times during 2023/24. The Committee provides a forum for reporting by the Group's internal auditors, reporting accountants and financial statement auditors, who have access to the Committee for independent discussion, without the presence of Group management. The Committee also receives and considers reports from the main FE funding bodies as they affect the Group's business.

The Group's internal auditors review the Group's systems of internal control, risk management controls and governance processes in accordance with an agreed plan reporting their findings to management and the Audit Committee.

Management is responsible for the implementation of agreed recommendations and the internal auditor undertakes periodic follow up reviews to ensure such recommendations have been implemented.

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

Members who served on the Committee during the year were:

- Tony Keeling (Chair) (Attendance 4/4)
- Martin Ballard (Attendance 4/4)
- Qun Yang (Attendance 1/3)
- Gillian Beasley (Attendance 3/4)
- Gemma Roger from 5 March 2024 (Attendance 2/2)

### Internal control

#### Scope of responsibility

The Corporation is ultimately responsible for the Group'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 Corporation has delegated the day-to-day responsibility to the CEO as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the Group's 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 Financial Agreements between the Inspire Education Group and the funding body and OFS registration conditions. She is also responsible for reporting to the Corporation 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. It is based on an ongoing process designed to identify and prioritise the risks to the achievement of Group policies, aims and objectives, to evaluate the likelihood of those risks being realised, and the impact should they be realised, to manage them efficiently, effectively and economically. The system of internal control has been in place in the Group for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts.

#### Capacity to handle risk

The Corporation has reviewed the key risks to which the Group is exposed, together with the 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 Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the Group's significant risks that has been in place for the period ended 31 July 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

#### 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. In particular, it includes:

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body
- 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
- the adoption of formal project management disciplines, where appropriate.



## IEG Governance Statement, contd.

The Group has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which IEG 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 Corporation on the recommendation of the audit committee. At minimum, annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the Colleges, includes an independent opinion on the adequacy and effectiveness of the Group's system of risk management, controls and governance processes.

### **Risks faced by the Corporation**

The strategic risks are detailed in full on P19 of this document, the risks with the highest residual risk scores in 2023/24 are listed below, with the key reasons for their identification as being the risks that were most likely to compromise organisational objectives:

- Cyber Security as a result of the external cyber hacking environment
- Staffing as a result of high levels of turnover and unfilled vacancies
- Higher Education as a result of intense competition in the sector
- Apprenticeships reflecting the Ofsted judgement and the achievement rates

### **Control Weaknesses Identified**

No significant weaknesses were identified in year.

### **Responsibilities under accountability agreements**

The Department for Education and Education and Skills Funding Agency introduced new controls for the Group on 29<sup>th</sup> November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all college accounting officers, and these have now been reflected in the College Financial Handbook 2023, which has the effective date of 1 August 2024. The Group has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

### Statement from the Audit Committee

The Audit Committee has advised the board of governors that the Corporation has an effective framework for governance and risk management in place. The Audit Committee believes the Corporation has effective internal controls in place.

The specific areas of work undertaken by the Audit Committee in 2023/24 and up to the date of the approval of the financial statements are:

- review of audit strategies and plans presented by the Group's internal and external auditors and, where appropriate, recommending amendments
- review of reports and recommendations for improvement from the Group's auditors and seeking information and explanations from management
- monitoring implementation of auditors' recommendations
- review of the Group Risk Management (RM) arrangements
- review of value for money procedures and achievements
- review of actual and attempted fraud
- review of gifts and hospitality received.

#### Review of effectiveness

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. The CEO'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 the Group who have responsibility for the development and maintenance of the internal control framework
- comments made by the Group's financial statements auditors, the reporting accountant for regulatory assurance, and appointed funding auditors in their management letters and other reports.

The Accounting Officer 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 other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The senior management team receives reports setting out the key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee will also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

## IEG Governance Statement, contd.

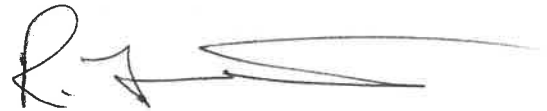
The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its October 2024 meeting, the corporation carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2024.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation 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 the Inspire Education Group Corporation on 12<sup>th</sup> December 2024 and signed on its behalf by:**



**David Pennell**  
**Chair of the Corporation**




**Rachel Nicholls**  
**Chief Executive and Accounting Officer**

## Statement on the Group's Regularity, Propriety and Compliance

As Accounting Officer, I confirm that the Corporation has had due regard to the framework of authorities governing regularity, propriety and compliance, and the requirements of the college's accountability agreement, funding agreements and contracts with the ESFA and DfE, and has considered its responsibility to notify the ESFA of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

I confirm, on behalf of the Corporation, that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the Corporation, or material non-compliance with the framework of authorities and the terms and conditions of funding under the college's accountability, funding agreements and contracts with the ESFA and DfE or any other public funder. This includes the elements outlined on the "Dear Accounting Officer" letter of 29 November 2022 and ESFA's bite size guides.

I confirm that no instances of material irregularity, impropriety, funding noncompliance, or non-compliance with the framework of authorities have been discovered to date. If any instances are identified after the date of this statement, these will be notified to ESFA.



**Rachel Nicholls**  
**Chief Executive and Accounting Officer**  
**12<sup>th</sup> December 2024**

## Statement of the Chair of Governors

On behalf of the Corporation, I confirm that the Accounting Officer has discussed their statement of regularity, propriety and compliance with the board and that I am content that it is materially accurate.



**David Pennell**  
**Chair of the Corporation**  
**12<sup>th</sup> December 2024**

## Statement of Responsibilities of the Members of the Corporation

The members of the Corporation are required to present audited financial statements for each financial year.

In preparing the financial statements, the Corporation is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess whether the Corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate
- Prepare financial statements on the going concern basis, unless it is inappropriate to assume that the Group will continue in operation

The Corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the College and Group and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

The Corporation is responsible for the maintenance and integrity of its websites; the work carried out by auditors does not involve consideration of these matters and, accordingly, auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Statement of Responsibilities of the Members of the Corporation, contd.**

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, DfE, and any other public funds, are used only in accordance with the accountability agreement, funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities following the reclassification of college corporations on 29 November 2022. Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly.

In addition, members of the Corporation are responsible for securing economic, efficient and effective management of the Corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA, DfE and other public bodies are not put at risk.

**Approved by order of the members of the Corporation on 12<sup>th</sup> December 2024 and signed on its behalf by:**

A handwritten signature in black ink, appearing to be 'David Pennell', with a large, stylized flourish extending from the end of the signature.

**David Pennell**

**Chair of Governors**

# INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF INSPIRE EDUCATION GROUP

## Opinion

We have audited the financial statements of Inspire Education Group (the "College") and its subsidiaries (the "Group") for the year ended 31 July 2024 which comprise the consolidated and college statements of comprehensive income, the consolidated and college balance sheets, the consolidated and college statements of changes in reserves, the consolidated and college 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 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) and the Accounts Direction issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the College's affairs as at 31 July 2024 and of the Group's and the College's surplus of income over 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 Accounts Direction issued by the Education and Skills Funding Agency.

## 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 group and college 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 governors' 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 group's or the college'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 governors 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 governors 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Post-16 Audit Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations required for our audit.

Responsibilities of the Corporation of Inspire Education Group

As explained more fully in the Statement of the Corporation's Responsibilities set out on pages 37 to 38, the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation 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 Corporation is responsible for assessing the Group's and the College'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 Corporation either intend to liquidate the Group or the College 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.

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 laws 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 group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and College operates in and how the group and college are 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, Further and Higher Education SORP, the College Accounts Direction published by the Education and Skills Funding Agency, 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 inquiring of management whether the group is in compliance with these laws and regulations.

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 group is in compliance with these law and regulations and inspected correspondence and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls, existence and valuation of apprenticeship income and completeness of certain other income streams as the areas 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 significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and tests of details in respect 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 <http://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 Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 7 October 2024. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged 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 Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK AUDIT LLP*

RSM UK AUDIT LLP  
Chartered Accountants  
1<sup>st</sup> Floor, Platinum Building,  
St John's Innovation Park,  
Cowley Road,  
Cambridge,  
CB4 0DS

23 December 2024

**Inspire Education Group**  
**Consolidated and College Statements of Comprehensive Income**

	Notes	Year ended 31 July		Year ended 31 July	
		2024	2024	2023	2023
		Group	College	Group	College
		£'000	£'000	£'000	£'000
<b>INCOME</b>					
Funding body grants	2	43,942	43,176	38,262	37,797
Tuition fees and education contracts	3	7,758	4,047	8,400	3,674
Other grants and contracts	4	-	-	-	-
Other income	5	2,985	5,448	2,777	5,491
Endowment and investment income	6	316	287	215	189
Donations	7	-	-	6,615	6,615
<b>Total income</b>		<b>55,001</b>	<b>52,958</b>	<b>56,269</b>	<b>53,766</b>
<b>EXPENDITURE</b>					
Staff costs	8	35,749	35,738	32,950	33,069
Other operating expenses	9	15,588	13,706	15,535	12,952
Depreciation & Amortisation	12	3,045	3,007	2,687	2,669
Interest and other finance costs	10	36	36	47	47
<b>Total expenditure</b>		<b>54,418</b>	<b>52,487</b>	<b>51,219</b>	<b>48,737</b>
<b>Surplus / (Deficit) before other gains and losses</b>		<b>583</b>	<b>471</b>	<b>5,050</b>	<b>5,029</b>
Gain on disposal of assets		-	-	5	5
Exceptional Loss		-	-	(59)	(59)
<b>Surplus / (Deficit) before tax</b>		<b>583</b>	<b>471</b>	<b>4,996</b>	<b>4,975</b>
Taxation	11	-	-	-	-
<b>Surplus / (Deficit) for the year</b>		<b>583</b>	<b>471</b>	<b>4,996</b>	<b>4,975</b>
Remeasurement of net defined benefit pension schemes		(279)	(279)	714	714
		<b>304</b>	<b>192</b>	<b>5,710</b>	<b>5,689</b>

The accompanying notes on pages 48 to 76 form part of the financial statements

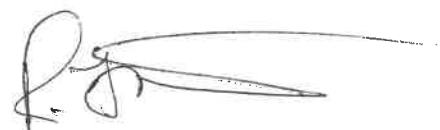
**Inspire Education Group**  
**Consolidated and College Balance sheets as at 31 July 2024**

	Notes	Group	College	Group	College
		2024 £'000	2024 £'000	2023 £'000	2023 £'000
<b>Fixed assets</b>					
Tangible fixed assets	13	56,547	56,268	49,617	49,505
Intangible assets	12	128	128	128	128
		<b>56,675</b>	<b>56,396</b>	<b>49,745</b>	<b>49,633</b>
<b>Current assets</b>					
Stocks		56	56	55	55
Trade and other receivables	15	3,854	3,812	2,998	5,371
Investments	16	1,992	1,992	1,904	1,904
Cash and cash equivalents		10,436	9,803	9,606	6,391
		<b>16,338</b>	<b>15,663</b>	<b>14,563</b>	<b>13,721</b>
<b>Less: Creditors – amounts falling due within one year</b>	17	(6,784)	(6,647)	(7,704)	(7,061)
<b>Net current assets</b>		<b>9,554</b>	<b>9,016</b>	<b>6,859</b>	<b>6,660</b>
<b>Total assets less current liabilities</b>		<b>66,229</b>	<b>65,412</b>	<b>56,604</b>	<b>56,293</b>
Less: Creditors – amounts falling due after more than one year	18	(24,375)	(23,864)	(15,041)	(14,924)
<b>Provisions</b>					
Defined benefit obligations	25	-	-	-	-
Other provisions	20	(581)	(581)	(594)	(594)
<b>Total net assets</b>		<b>41,273</b>	<b>40,967</b>	<b>40,969</b>	<b>40,775</b>
<b>Restricted reserves</b>					
Income and expenditure reserve - restricted reserve		5	5	5	5
<b>Unrestricted reserves</b>					
Income and expenditure account		33,663	33,356	33,263	33,068
Revaluation reserve		7,490	7,491	7,586	7,587
Capital reserves		115	115	115	115
<b>Total unrestricted reserves</b>		<b>41,268</b>	<b>40,961</b>	<b>40,964</b>	<b>40,770</b>
<b>Total reserves</b>		<b>41,273</b>	<b>40,967</b>	<b>40,969</b>	<b>40,775</b>

The financial statements on pages 48 to 76 were approved and authorised for issue by the Corporation on 12th December 2024 and were signed on its behalf on that date by:



**David Pennell**  
Chair



**Rachel Nicholls**  
Accounting Officer

**Inspire Education Group**  
**Consolidated and College Statement of Changes in Reserves**

	Income and Expenditure account £'000	Revaluation reserve £'000	Restricted Reserves £'000	Capital Reserves £'000	Total £'000
<b>Group</b>					
<b>Balance at 1st August 2022</b>	27,457	7,682	5	115	35,259
Deficit from the income and expenditure account	4,996	-	-	-	4,996
Other comprehensive income	714	-	-	-	714
Transfers between revaluation and income and expenditure reserves	96	(96)	-	-	-
	5,806	(96)	-	-	5,710
<b>Balance at 31st July 2023</b>	33,263	7,586	5	115	40,969
Surplus from the income and expenditure account	583	-	-	-	583
Other comprehensive income	(279)	-	-	-	(279)
Transfers between revaluation and income and expenditure reserves	96	(96)	-	-	-
<b>Total comprehensive income for the year</b>	400	(96)	-	-	304
<b>Balance at 31st July 2024</b>	<b>33,663</b>	<b>7,490</b>	<b>5</b>	<b>115</b>	<b>41,273</b>
<b>College</b>					
<b>Balance at 1st August 2022</b>	27,283	7,683	5	115	35,086
Deficit from the income and expenditure account	4,975	-	-	-	4,975
Other comprehensive income	714	-	-	-	714
Transfers between revaluation and income and expenditure reserves	96	(96)	-	-	-
	5,785	(96)	-	-	5,689
<b>Balance at 31st July 2023</b>	33,068	7,587	5	115	40,775
Surplus from the income and expenditure account	471	-	-	-	471
Other comprehensive income	(279)	-	-	-	(279)
Transfers between revaluation and income and expenditure reserves	96	(96)	-	-	-
<b>Total comprehensive income for the year</b>	288	(96)	-	-	192
<b>Balance at 31st July 2024</b>	<b>33,356</b>	<b>7,491</b>	<b>5</b>	<b>115</b>	<b>40,967</b>

The accompanying notes on pages 48 to 76 form part of the financial statements

**Inspire Education Group**  
**Consolidated Statement of Cash Flows**

	Notes	2024 £'000	2023 £'000
<b>Cash inflow from operating activities</b>			
Surplus / (Deficit) for the year		583	4,996
<b>Adjustment for:</b>			
Depreciation		3,009	2,645
Amortisation	12	36	42
Gain on disposal of fixed assets		-	(5)
Donation of assets	7	-	(6,615)
Transfer of Assets to SOCI		-	99
Investment income (Interest Received)		(316)	(215)
(Increase)/decrease in provisions		(13)	(192)
Interest payable	10	36	47
Pensions costs	25	(269)	686
<b>Operating Cashflow before movement in Working Capital</b>		<b>3,066</b>	<b>1,488</b>
(Increase)/decrease in stocks		(1)	(24)
(Increase)/decrease in debtors		(856)	(640)
Increase/(decrease) in creditors		(999)	(1,003)
Capital Grant Release	2	(775)	(651)
<b>Cash Generated from Operations</b>		<b>435</b>	<b>(830)</b>
Taxation paid		-	0
<b>Net cash inflow/(outflow) from operating activities</b>		<b>435</b>	<b>(830)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		-	8
Capital Investment Grant		6,564	3,681
Investment income		143	186
Deposit from Investments		-	-
Proceeds from new borrowing		4,168	
Payments made to acquire fixed assets		(9,924)	(3,704)
		951	171
<b>Cash flows from financing activities</b>			
Interest paid		(6)	(9)
Repayments of amounts borrowed	21	(549)	(107)
		(555)	(116)
<b>(Decrease)/Increase in cash and cash equivalents in the year</b>		<b>830</b>	<b>(775)</b>
Cash and cash equivalents at beginning of the year	21	9,606	10,381
Cash and cash equivalents at end of the year	21	10,436	9,606

**Inspire Education Group**  
**College Statement of Cash Flows**

	Notes	2024 £'000	2023 £'000
<b>Cash inflow from operating activities</b>			
Surplus / (Deficit) for the year		471	4,975
<b>Adjustment for:</b>			
Depreciation	13	2,971	2,627
Amortisation	12	36	42
Gain on disposal of fixed assets		-	(5)
Donation of assets	7	-	(6,615)
Transfer of Assets to SOCI		-	102
Investment income and Interest Received		(287)	(215)
(Increase)/decrease in Provisions	20	(13)	(192)
Interest payable	10	36	47
Pensions costs	25	(269)	686
<b>Operating Cashflow before movement in Working Capital</b>		<b>2,945</b>	<b>1,452</b>
(Increase)/decrease in stocks		(1)	(24)
(Increase)/decrease in debtors		1,559	3,663
Increase/(decrease) in creditors		(415)	(782)
Capital Grant Release	2	(741)	(651)
<b>Cash Generated from Operations</b>		<b>3,347</b>	<b>3,658</b>
Taxation paid		-	-
<b>Net cash inflow from operating activities</b>		<b>3,347</b>	<b>3,658</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		-	5
Capital Investment Grant		6,059	3,684
Investment income		114	186
Proceeds from new borrowing		4,168	-
Payments made to acquire fixed assets		(9,721)	(3,664)
		620	211
<b>Cash flows from financing activities</b>			
Interest paid		(6)	(9)
Repayments of amounts borrowed	21	(549)	(107)
		(555)	(116)
<b>(Decrease)/Increase in cash and cash equivalents in the year</b>		<b>3,412</b>	<b>3,753</b>
Cash and cash equivalents at beginning of the year	21	6,391	2,638
Cash and cash equivalents at end of the year	21	9,803	6,391

The accompanying notes on pages 48 to 76 form part of the financial statements

# Notes to the Financial Statements for the year ended 31 July 2024

## 1. Accounting policies

### General information

Inspire Education Group is a corporation established under the Further and Higher Education Act 1992 as an English general college group of further education. The address of the Group's principal place of business is given on page 2. The nature of the Group's operations is set out in the Strategic Report.

### Basis of accounting

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (F & HE SORP 2019), *the College Accounts Direction for 2023 to 2024*, and in accordance with Financial Reporting Standard 102 – “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*” (FRS 102) under the historical cost convention. IEG is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

The consolidated financial statements are presented in sterling which is also the functional currency of IEG.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

### Basis of consolidation

The consolidated financial statements include IEG and its subsidiaries, Quality Resourcing Solutions Limited, and University Centre Peterborough, controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity, so as to obtain benefits from its activities. The results of subsidiaries acquired or sold are consolidated using the purchase method for the periods from or to the date that control passes. All financial statements are made up to 31 July 2024.

All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.



# Notes to the Financial Statements for the year ended 31 July 2024, contd

## 1. Accounting policies (continued).

### Going concern

The financial position at the balance sheet date was such that the group believes it had sufficient resources to continue to meet the liabilities of the continued operations of Inspire Education Group. This assessment has been made by the Corporation having reviewed the current and future year forecast to July 2027. This forecast includes the assets, liabilities and ongoing operations of the organisation. This review reflects HE recruitment and plans for new courses, and anticipates growth in 16-18 full time courses with some additional in year funding to support with growth. It also includes an increase for minimum wage rises and a potential pay award modelling. All figures consider the risks posed by the high inflationary environment and all other principal risks and uncertainties identified. The cash position includes an assessment of the impact of current and projected capital plans and their associated financing and/or grant funding. The members of the Corporation make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Group has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Group's ability to continue as a going concern. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

### Grants – government and non-government

#### *Revenue grant funding*

Government revenue grants are accounted for under the accrual model and are recognised where a reliable estimate of the asset received or receivable can be made on a systematic basis over the periods in which the related costs for which the grant compensates are recognised.

Adult Education Budget ('AEB') grant funding income recognised is a best estimate of the amount receivable in accordance with the annual main funding guidance published by the ESFA and either determined as part of the reconciliation process or by separate agreement between the college and the ESFA at the reporting period end date. Any subsequent agreement to determination of the AEB funding after the reporting end date which is not provided for in the annual main funding guidance is not reflected in the income recognised.

16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments and is recognised when receivable.

Levy-funded and ESFA funding for co-investment model apprenticeships income is measured in line with best estimates of the provision delivered in the year.

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.

Grants from non-government sources, including grants relating to assets, are recognised in income when the performance-related conditions have been met and the grant will be received. Income received in advance of performance related conditions being met is recognised as a liability.

## Notes to the Financial Statements for the year ended 31 July 2024, contd

### 1. Accounting policies (continued).

The LGPS assets are managed by the scheme trustees at scheme level, and the determination / allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns and benefit payments made (either on a cash basis or actuarial basis).

The retirement benefit obligation recognised represents the deficit or surplus of the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

#### **Short term employment benefits**

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the Group. The cost of any unused holiday entitlement the Group expects to pay in future periods is recognised in the period the employees' services are rendered.

#### **Enhanced pensions**

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the Group annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to comprehensive income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

#### **Fixed asset investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses in the separate financial statements of IEG.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in comprehensive income.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost / deemed cost less accumulated depreciation and accumulated impairment losses.

#### **Land and buildings**

Most land and buildings are freehold. Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation based on depreciated replacement costs, as the open market value for existing use is not readily obtainable. Land is not depreciated and is stated at cost less accumulated impairment losses.

Buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

## Notes to the Financial Statements for the year ended 31 July 2024, contd

### 1. Accounting policies continued.

#### Equipment

Equipment costing less than £2,000 per individual item or set of items acquired together is recognised as expenditure in the period of acquisition. All other equipment is capitalised and recognised at cost less accumulated depreciation and accumulated impairment losses.

#### Depreciation and residual values

Freehold land is not depreciated. Depreciation on other assets is calculated, using the straight-line basis, to write off the cost of each asset to its estimated residual value over its expected useful lives. The policy changed in August 2023 and as such any new assets purchased are depreciated as follows:

Freehold buildings	over periods up to 60 years
Long leasehold buildings	over the shorter of 50 years and the remaining lease term
Technical equipment	5 to 10 years
Motor vehicles	5 years
Furniture, fixtures and fittings	10 to 20 years / remaining building life
Computer equipment	3-10 years

The impact of the changes in depreciation policy has affected a small number of assets in the year reducing the charge by £5K in 2023/24 due to a longer depreciation period. Looking to future years IEG estimates that that change in policy would create a reduction in depreciation charged of £15K in 2024/25 and £17K in 2025/26 when compared to the useful life of the historic policy.

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to deferred capital grants and released to the income and expenditure account over the expected useful economic life of the related equipment.

Specialist assets costing less than £10,000 that are purchased for the dedicated use of individual learners are written off over the period for which those learners have enrolled.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Subsequent costs, including replacement parts, are only capitalised when it is probable that such costs will generate future economic benefits. Any replaced parts are then derecognised. All other costs of repairs and maintenance are expenses as incurred.

## Notes to the Financial Statements for the year ended 31 July 2024, contd

### 1. Accounting policies continued.

#### **Intangible assets**

##### *Goodwill*

Purchased goodwill is capitalised and amortised on a straight-line basis over 10 years.

##### *Software*

Software assets are amortised over five years, unless the anticipated lifetime of the individual software asset dictates an alternative expected useful life.

#### **Impairments of fixed assets**

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

If such indications exist, an estimate is made of the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment of revalued assets is treated as a revaluation loss. All other impairment losses are recognised in comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

#### **Assets under construction**

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31<sup>st</sup> July. They are not depreciated until they are brought into use.

#### **Maintenance of premises**

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred. The Group has prepared a planned maintenance programme, which is reviewed on an annual basis. The cost of carrying out planned maintenance is charged to the income and expenditure account in the period in which it is incurred.

#### **Computer software**

Expenditure on computer software is regarded as a fixed asset where the implementation of a new system to be used over a number of accounting periods is incurred. Annual licence fees and other software costs are charged to the income and expenditure account in the period in which it is incurred.

## Notes to the Financial Statements for the year ended 31 July 2024, contd

### 1. Accounting policies continued.

#### **Borrowing costs**

Specific borrowing costs directly attributable to the construction of The Centre For Green Technology are added to the cost of the asset until such a time as the asset is ready for its intended use. The amount capitalised in 2023/24 equalled to £0.064M at a rate of 4.97% from November 23, increasing to 5.6% from April 24.

All other borrowing costs are expensed as incurred.

#### **Leased assets**

##### *Operating leases*

All leases are operating leases and annual rents are charged to comprehensive income on a straight-line basis over the lease term.

#### **Agency arrangements**

The Group acts as an agent in distributing Bursary support funds from the funding bodies. Payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the Group where the Group does not have control of the economic benefit related to the transaction.

#### **Critical accounting judgements and estimation uncertainty**

Estimates and judgements 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. In preparing these financial statements, management have made the following judgements.

Determining the existence of a minimum funding requirement for the Local Government Pension Scheme to be included in the asset ceiling in measuring and recognising a surplus in the scheme. This judgement is based on an assessment of the nature of the scheme as a statutory scheme and its inherent implied continuance as well as the operation of the primary and secondary contributions.

##### *Critical accounting estimates and assumptions*

##### *Tangible fixed assets*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, maintenance programmes, economic utilisation and physical condition of the assets are considered. Residual value assessments consider issues such as future market conditions and the remaining life of the asset.

### 1. Accounting policies continued.

#### *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on several factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### *Impairment of fixed assets*

The Group considers whether tangible fixed assets are impaired. Where an indication of impairment is identified the estimation of the recoverable amount of the asset, or the recoverable amount of the cash-generating unit is required. These will require an estimation of the future cash flow and selection of an appropriate discount rates in order to calculate the net present value of those cash flows.

#### *Leases*

Determine whether leases entered by the Group either as a lessor or a lessee are operating or financial leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis

## Notes to the Accounts (continued)

### 2 Funding body grants

	Year ended 31 July		Year ended 31 July	
	2024	2024	2023	2023
	Group	College	Group	College
	£'000	£'000	£'000	£'000
<b>Recurrent grants</b>				
Education and Skills Funding Agency – 16 -18	29,938	29,938	25,569	25,569
Education and Skills Funding Agency - Adult	1,590	1,590	1,527	1,527
Cambridge & Peterborough Combined Authority - Adult	3,086	3,086	2,745	2,745
Office for Students - Higher Education	531	-	444	-
Education and Skills Funding Agency - Apprenticeships	3,230	3,230	3,201	3,201
<b>Specific Grants</b>				
Teachers Pension Contribution Grant	1,057	1,057	839	839
Releases of Government Capital Grants	775	741	651	630
High Needs Level 2 Funding	2,307	2,307	2,136	2,136
Education and Skills Funding Agency - <i>Maths Centre of Excellence, 16-19 Tuition Fund, T Levels &amp; CDF</i>	1,227	1,227	1,150	1,150
Skills Injection Fund	201	-	-	-
<b>Total</b>	<b>43,942</b>	<b>43,176</b>	<b>38,262</b>	<b>37,797</b>

### 3 Tuition fees and education contracts

	Year ended 31 July		Year ended 31 July	
	2024	2024	2023	2023
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Adult Education Fees	493	493	635	635
Apprenticeship Fees and Contracts	109	109	93	93
Fees for FE Loan Supported Courses	452	452	322	322
Fees for HE Loan Supported Courses	3,722	11	5,050	324
Total Tuition Fees	4,776	1,065	6,100	1,374
Education Contracts	2,982	2,982	2,300	2,300
<b>Total</b>	<b>7,758</b>	<b>4,047</b>	<b>8,400</b>	<b>3,674</b>

### 4 Other grants and contracts

	Year ended 31 July		Year ended 31 July	
	2024	2024	2023	2023
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other grants and contracts	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the Accounts (continued)

### 5 Other income

	Year ended 31 July 2024		Year ended 31 July 2023	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Catering	1,050	1,050	814	814
Other income generating activities	618	629	714	714
Transport	873	873	868	868
Miscellaneous income	444	2,896	381	3,095
<b>Total</b>	<b>2,985</b>	<b>5,448</b>	<b>2,777</b>	<b>5,491</b>

### 6 Investment income

	Year ended 31 July 2024		Year ended 31 July 2023	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other interest receivable	309	280	215	189
Net return on pension scheme (note 24)	7	7	-	-
<b>Total</b>	<b>316</b>	<b>287</b>	<b>215</b>	<b>189</b>

### 7 Donations - Group and College

	Year ended 31 July	
	2024	2023
	£'000	£'000
Donated Assets - Other	-	6,615
<b>Total</b>	<b>-</b>	<b>6,615</b>



## Notes to the Accounts (continued)

### 8 Staff costs - Group and College

The average number of persons (including key management personnel) employed by the College and Group during the year, expressed as average headcount and calculated on a monthly basis, was:

	<b>Group 2024 No.</b>	<b>College 2024 No.</b>	<b>Group 2023 No.</b>	<b>College 2023 No.</b>
Teaching staff	591	577	673	623
Non teaching staff	356	342	356	342
	<b>947</b>	<b>919</b>	<b>1,029</b>	<b>965</b>

#### Staff costs for the above

	<b>2024 £'000</b>	<b>2024 £'000</b>	<b>2023 £'000</b>	<b>2023 £'000</b>
Wages and salaries	24,443	24,443	22,188	21,385
Social security costs	2,236	2,236	2,056	1,980
Other pension costs	4,961	4,961	5,077	5,093
Apprenticeship Levy	112	112	82	82
<b>Payroll sub total</b>	<b>31,752</b>	<b>31,752</b>	<b>29,403</b>	<b>28,540</b>
Contracted out staffing services	3,966	3,955	3,458	4,440
	<b>35,718</b>	<b>35,707</b>	<b>32,861</b>	<b>32,980</b>

#### Restructuring Costs

Contractual	31	31	16	16
Non Contractual	-	-	73	73
	<b>35,749</b>	<b>35,738</b>	<b>32,950</b>	<b>33,069</b>

#### Severance Payments

The Group and College paid 7 severance payments in the year totally £31K disclosed in the following bands. Individually the payments were; £3,080, £14,286, £2,341, £3,839, £5,996, £1,325 and £320

£0 - £25,000	<b>7</b>
£25,001 - £50,000	-
£50,001 - £100,000	-
£100,001 - £150,000	-
£150,000 +	-

## Notes to the Accounts (continued)

### 8 Staff costs - Group and College continued

#### Key management personnel

Key management personnel (including the Accounting Officer) are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Senior Leadership Team which normally comprises of four posts. The CEO, who also serves as the Accounting Officer, Chief Financial Officer and Chief Operating Officer were in post for the whole year. The Executive Director of Business Development departed the organisation in year and with the Chief Curriculum Officer joining at the later date.

#### Emoluments of Key management personnel, Accounting Officer and other higher paid staff

	2024 No.	2023 No.
The number of key management personnel including the Accounting Officer and CEO was:	4	4

The number of staff who received annual emoluments, excluding pension contributions and employers national insurance but including benefits in kind, in the following ranges was:

	2024 No.	2023 No.
£60,001 to £65,000	15	1
£65,001 to £70,000	1	-
£75,001 to £80,000	-	1
£80,001 to £85,000	1	1
£85,001 to £90,000	-	2
£90,001 to £95,000	2	-
£110,001 to £115,000	3	2
£130,001 to £135,000	-	-
£165,001 to £170,000	-	1
£170,001 to £175,000	1	-
	<b>23</b>	<b>8</b>

## Notes to the Accounts (continued)

### 8 Staff costs - Group and College continued

Key management personnel (including the Accounting Officer) compensation is made up as follows:

	<b>2024 £'000</b>	<b>2023 £'000</b>
Salaries	450	387
Employers National Insurance contributions	57	46
Benefits in kind	4	4
Pension contributions paid	106	80
<b>Total emoluments</b>	<b>617</b>	<b>517</b>

There were no amounts due to the CEO and Accounting Officer or key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

The above compensation includes amounts payable to the CEO and Accounting Officer who is also the highest paid member of staff. Their pay and remuneration is as follows:

	<b>2024 £'000</b>	<b>2023 £'000</b>
Salaries	170	167
Benefits in kind	1	1
Pension Contributions	43	37
<b>Total</b>	<b>214</b>	<b>205</b>

The Governing Body has the College Senior Pay Survey 2019, published May 2020 and continues to use it to assess senior pay.

The remuneration package of key management staff, including the CEO and Accounting Officer of IEG, are subject to annual review by the Remuneration Committee of the governing body who use benchmarking information from the college senior pay survey 2023 to provide objective guidance against the size and complexity of the merged group, relative to the sector.

The IEG CEO reports to the Chair of the Governing body, who undertakes an annual review of her performance against the group's overall objectives, using both qualitative and quantitative measure of performance.

## Notes to the Accounts (continued)

### 8 Staff costs - Group and College continued

#### Relationship of CEO and Accounting Officer pay and remuneration expressed as a multiple

	2024	2023
CEO's basic salary as a multiple of the median of all staff	5.78	5.40
CEO's total remuneration as a multiple of the median of all staff	6.16	5.84

#### Compensation for loss of office paid to former key management personnel

There were no payments required to be made in the year for compensation for loss of office.

#### Governor's remuneration

The CEO and Accounting Officer and the staff member only receive remuneration in respect of services they provide undertaking their roles of Principal and staff members under contracts of employment and not in respect of their roles as governors. The other members of the Corporation did not receive any payments from the college in respect of their roles as governors. Total reimbursement of expenses for SLT came to the value of £1,715, there were no Governors expenses re-claimed in the period.

## Notes to the Accounts (continued)

### 9 Other operating expenses

	Year ended 31 July		Year ended 31 July	
	2024	2024	2023	2023
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Teaching costs	7,000	6,361	6,572	5,672
Non teaching costs	5,965	4,827	5,968	4,441
Premises costs	2,623	2,518	2,995	2,839
<b>Total</b>	<b>15,588</b>	<b>13,706</b>	<b>15,535</b>	<b>12,952</b>

#### Other operating expenses include:

	2024	2023
	£'000	£'000
Auditors' remuneration:		
Fees payable to RSM UK LLP in respect of:		
- Audit of College & Group	82	70
- Audit of Subsidiaries	13	13
- Other Assurance Services	5	5
Internal audit	32	32
Debtor Write Off Approved by Board	-	52
Hire of assets under operating leases	29	175

Total write off and losses in the year totalled £22,788 There were no amounts that exceeded £5,000 that needed writing off subject to Board approval.

#### Reason for Write off

	£
External debt recovery exhausted all avenues for recovery	12,111
Small balance debt recovery exhausted all avenues for recovery	9,102
Declared Bankrupt / Liquidation	1,425
Other	150
	<u>22,788</u>

## Notes to the Accounts (continued)

### 10 Interest payable - Group and College

	Group	College	Group	College
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
On bank loans and other loans	70	70	9	9
Amount Capitalised	(64)	(64)	-	v
Charged to income and expenditure	6	6	9	9
Net interest on enhanced Pension Provision	30	30	25	25
Net interest on defined pension liability (note 25)	-	-	13	13
<b>Total</b>	<b>36</b>	<b>36</b>	<b>47</b>	<b>47</b>

### 11 Taxation - Group only

	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
UK Corporation Tax	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the Accounts (continued)

### 12 Intangible fixed assets (Group)

	Goodwill	Software	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 August 2023	402	349	751
Additions	-	36	36
<b>At 31st July 2024</b>	<b>402</b>	<b>385</b>	<b>787</b>
<b>Amortisations</b>			
At 1 August 2023	402	221	623
Charge for the year	-	36	36
<b>At 31st July 2024</b>	<b>402</b>	<b>257</b>	<b>659</b>
<b>Net book value at 31st July 2024</b>	<b>-</b>	<b>128</b>	<b>128</b>
Net book value at 31st July 2023	-	128	128

### 12 Intangible fixed assets (College)

	Goodwill	Software	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 August 2023	-	349	349
Additions	-	36	36
<b>At 31st July 2024</b>	<b>-</b>	<b>385</b>	<b>385</b>
<b>Amortisations</b>			
At 1 August 2023	-	221	221
Charge for the year	-	36	36
<b>At 31st July 2024</b>	<b>-</b>	<b>257</b>	<b>257</b>
<b>Net book value at 31st July 2024</b>	<b>-</b>	<b>128</b>	<b>128</b>
Net book value at 31st July 2023	-	128	128

## Notes to the Accounts (continued)

### 13 Tangible fixed assets (Group)

	Land and Buildings		Equipment	Assets in the	Total
	Freehold	Long Leasehold		Course of Construction	
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
At 1 August 2023	65,452	639	11,532	2,521	80,144
Transfers	1,013	-	857	(1,870)	-
Additions	908	-	1,766	7,266	9,940
Disposals	-	-	-	-	-
<b>At 31 July 2024</b>	<b>67,373</b>	<b>639</b>	<b>14,155</b>	<b>7,917</b>	<b>90,084</b>
<b>Depreciation</b>					
At 1 August 2023	22,508	639	7,380	-	30,527
Charge for the year	1,751	-	1,259	-	3,010
Elimination in respect of disposals	-	-	-	-	-
<b>At 31 July 2024</b>	<b>24,259</b>	<b>639</b>	<b>8,639</b>	<b>-</b>	<b>33,537</b>
<b>Net book value at 31 July 2024</b>	<b>43,114</b>	<b>-</b>	<b>5,516</b>	<b>7,917</b>	<b>56,547</b>
Net book value at 31 July 2023	42,944	-	4,152	2,521	49,617

### 13 Tangible fixed assets (College)

	Land and Buildings		Equipment	Assets in the	Total
	Freehold	Long Leasehold		Course of Construction	
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
At 1 August 2023	65,374	639	11,325	2,521	79,859
Transfers	1,013	-	857	(1,870)	-
Additions	908	-	1,560	7,266	9,734
Disposals	-	-	-	-	-
<b>At 31 July 2024</b>	<b>67,295</b>	<b>639</b>	<b>13,742</b>	<b>7,917</b>	<b>89,593</b>
<b>Depreciation</b>					
At 1 August 2023	22,432	639	7,283	-	30,354
Charge for the year	1,751	-	1,220	-	2,971
Elimination in respect of disposals	-	-	-	-	-
<b>At 31 July 2024</b>	<b>24,183</b>	<b>639</b>	<b>8,503</b>	<b>-</b>	<b>33,325</b>
<b>Net book value at 31 July 2024</b>	<b>43,112</b>	<b>-</b>	<b>5,239</b>	<b>7,917</b>	<b>56,268</b>
Net book value at 31 July 2023	42,942	-	4,042	2,521	49,505



## Notes to the Accounts (continued)

### 14 Fixed Asset Investments - college

	College 2024 £'000	College 2023 £'000
Investments in subsidiary companies	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

The College owns 100 per cent of Quality Resourcing Solutions Limited, a company incorporated in England and Wales, and is limited by guarantee. The principal business activity of Quality Resourcing Solutions Limited was for the provision of staff to Inspire Education Group.

### 15 Trade and other receivables

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Amounts falling due within one year:				
Trade receivables	1,086	1,086	1,152	1,045
Amounts owed by group undertakings:	-	-	-	2,521
Prepayments and accrued income	2,535	2,498	1,844	1,805
Other debtors	233	228	2	-
<b>Total</b>	<b>3,854</b>	<b>3,812</b>	<b>2,998</b>	<b>5,371</b>

### 16 Current investments

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Short term deposits	1,992	1,992	1,904	1,904
<b>Total</b>	<b>1,992</b>	<b>1,992</b>	<b>1,904</b>	<b>1,904</b>

## Notes to the Accounts (continued)

### 17 Creditors: amounts falling due within

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Bank loans	-	-	555	555
DfE Loan	413	413		
Trade payables	1,495	1,248	1,868	1,668
Amounts owed to subsidiary undertakings	-	712	-	156
Other taxation and social security	880	842	977	907
Accruals and deferred income	1,541	1,076	1,554	1,189
Holiday pay accrual	384	384	380	380
Deferred income - government capital grants	811	757	609	586
Deferred income - revenue grants	5	5	-	-
Other creditors	1,255	1,210	1,761	1,620
<b>Total</b>	<b>6,784</b>	<b>6,647</b>	<b>7,704</b>	<b>7,061</b>

### 18 Creditors: amounts falling due after one

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
DfE Loan	3,765	3,765	-	-
Deferred income - government capital grants	20,610	20,099	15,041	14,924
<b>Total</b>	<b>24,375</b>	<b>23,864</b>	<b>15,041</b>	<b>14,924</b>

### 19 Maturity of debt

#### Loans

Loans are repayable as follows:

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
In one year or less	413	413	555	555
Between one and two years	550	550	-	-
Between two and five years	1,650	1,650	-	-
In five years or more	1,564	1,564	-	-
<b>Total</b>	<b>4,177</b>	<b>4,177</b>	<b>555</b>	<b>555</b>

## Notes to the Accounts (continued)

### 20 Provisions

	Group and College		
	Defined benefit Obligations £'000	Enhanced pensions £'000	Total £'000
At 1 August 2023	-	594	594
Utilised in the year	-	(71)	(71)
Unwinding of discount	-	30	30
Other comprehensive movements	-	28	28
<b>At 31 July 2024</b>	<b>-</b>	<b>581</b>	<b>581</b>

The enhanced pension provision relates to the cost of staff that have already left the College's employment and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies. The principal assumptions for this calculation are:

	2024	2023
Price inflation	2.80%	2.80%
Discount Rate	4.80%	5.00%

### 21 Analysis of changes in net debt

Group	At 1 August 2023 £'000	Cash flows £'000	Other changes £'000	At 31 July 2024 £'000
Cash and cash equivalents	9,606	830	-	10,436
	9,606	830	-	10,436
Bank Loan: Due within 1 year	(555)	555	-	-
DfE: Due within 1 year	-	(413)	-	(413)
DfE: Due after 1 year	-	(3,765)	-	(3,765)
Investments	1,904	88	-	1,992
<b>Total net funds</b>	<b>10,955</b>	<b>(2,705)</b>	<b>-</b>	<b>8,250</b>
<b>College</b>	<b>At 1 August 2023 £'000</b>	<b>Cash flows £'000</b>	<b>Other changes £'000</b>	<b>At 31 July 2024 £'000</b>
Cash and cash equivalents	6,391	3,412	-	9,803
	6,391	3,412	-	9,803
Bank Loan: Due within 1 year	(555)	555	-	-
DfE: Due within 1 year	-	(413)	-	(413)
DfE: Due after 1 year	-	(3,765)	-	(3,765)
Investments	1,904	88	-	1,992
<b>Total net funds</b>	<b>7,740</b>	<b>(123)</b>	<b>-</b>	<b>7,617</b>

## Notes to the Accounts (continued)

### 22 Capital commitments

	<b>Group and College</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Commitments contracted for at 31 July 2024	-	<b>165</b>
Amounts contracted for the following projects:-		
Curriculum/Estates programmes	-	506
Centre for Green Technology	5,798	365
DFE Refurbishment Plan	74	1,425
Energy Grant	-	228
	<b>5,872</b>	<b>2,524</b>

### 23 Lease Obligations

At 31 July the Group and College had minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Future minimum lease payments due</b>				
Not later than one year	99	99	175	175
Later than one year and not later than five years	164	164	506	506
later than five years	909	909	935	935
	<b>1,172</b>	<b>1,172</b>	<b>1,616</b>	<b>1,616</b>

### 24 Contingent liabilities

There are currently no contingent liabilities.

## Notes to the Accounts (continued)

### 25 Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Cambridgeshire Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cambridge Pension Fund. Both are multi-employer defined-benefit plans.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year/Contributions amounting to £618K (2023 £273k) were payable to the scheme at 31 July and are included within creditors.

<b>Total pension cost for the year</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Teachers Pension Scheme: contributions paid	2,776	2,364
Local Government Pension Scheme:		
Contributions paid	2,378	2,061
FRS 102 (28) charge	(269)	689
Charge to the Statement of Comprehensive Income	2,109	2,750
Other defined contribution Pension Schemes	76	-
<b>Total Pension Cost for Year</b>	<b>4,961</b>	<b>5,114</b>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2020 and of the LGPS 31 March 2022.

## **Notes to the Accounts (continued)**

### **25 Defined benefit obligations (continued)**

#### **Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan so it is accounted for as a defined contribution plan.

#### **Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation was carried out as at 31 March 2020 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

The valuation report was published on 26 October 2023. The key results of the valuation are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion
- Notional past service deficit of £39.8 billion (2016 £22 billion)
- Discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI (this change has had the greatest financial significance)).

As a result of the valuation, new employer contribution rates have been set at 28.68% of pensionable pay from 1 April 2024 until 1st April 2028 (compared to 23.68% under the previous valuation including a 0.08% administration levy). DfE agreed to pay a Teachers Pensions employer contribution grant to cover the additional costs during the 2023-24 academic year, and currently through to July 2025. The pension costs paid to TPS in the year amounted to £2.776M (2023: £2.364M).

## Notes to the Accounts (continued)

### 25 Defined benefit obligations (continued)

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Cambridgeshire County Council. The total contributions made for the year ended 31 July 2024 were £3,030K, of which employer's contributions totalled £2,378K and employees' contributions totalled £652K. The agreed contribution rates for future years are 23% and 23.7% for the college, and range from 5.5% to 12.5% for employees, depending on salary according to a national scale. There are no secondary payments due.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an FE body in the statutory sector closure, where there is no transfer or merger, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 12 November 2024.

The following information is based upon a full actuarial valuation of the fund at 31 July 2024 by Hymans Robertson.

#### Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2024 by a qualified independent actuary

	<b>At 31 July 2024</b>	<b>At 31 July 2023</b>
Rate of increase in salaries	3.25%	3.49%
Future pensions increases	2.75%	3.00%
Discount rate for scheme liabilities	5.00%	5.05%
Inflation assumption (CPI)	2.75%	3.00%
Commutation of pensions to lump sums	25%	25%

The assumed life expectations on retirement age 65 are:

	<b>At 31 July 2024 years</b>	<b>At 31 July 2023 years</b>
<i>Retiring today</i>		
Males	20.50	20.50
Females	24.10	24.10
<i>Retiring in 20 years</i>		
Males	21.00	21.10
Females	25.30	25.40

## Notes to the Accounts (continued)

### 25 Defined benefit obligations (continued)

#### Local Government Pension Scheme (Continued)

The College's share of the assets in the plan and the expected rates of return were:

		<b>Fair Value at 31 July 2024</b>		<b>Fair Value at 31 July 2023</b>
		<b>£'000</b>		<b>£'000</b>
Equities	57%	41,690	65%	42,611
Bonds	24%	17,554	20%	13,111
Property	17%	12,434	14%	9,178
Cash	2%	1,463	1%	656
<b>Total market value of assets</b>		<b>73,141</b>		<b>65,556</b>
<b>Actual return on plan</b>		<b>6,418</b>		<b>1,857</b>

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	<b>2024 £'000</b>	<b>2023 £'000</b>
Fair value of plan assets	73,141	65,556
Present value of plan liabilities	(55,257)	(52,181)
Present value of unfunded liabilities	(34)	(34)
Asset Ceiling Adjustment	(17,850)	(13,341)
<b>Net pensions (liability)</b>	<b>-</b>	<b>-</b>

The value of the college's share of net assets has been restricted due to the effect of the asset ceiling being at the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other comprehensive income in the period.

**Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:**

	<b>2024 £'000</b>	<b>2023 £'000</b>
<b>Amounts included in staff costs</b>		
Current service cost	(2,109)	(2,750)
<b>Total</b>	<b>(2,109)</b>	<b>(2,750)</b>
<b>Amounts included in expenditure - Interest and other financing costs</b>		
Net interest received / (expensed)	7	(13)
	<b>7</b>	<b>(13)</b>

#### Amounts recognised in Other Comprehensive Income

Return on pension plan assets	3,078	(351)
Experience losses arising on defined benefit obligations	-	-
Asset Ceiling Adjustment	(17,850)	(13,341)
Effect of Asset Ceiling Adjustment	14,015	-
Changes in assumptions underlying the present value of plan liabilities	478	14,406
<b>Amount recognised in Other Comprehensive Income</b>	<b>(279)</b>	<b>714</b>



## Notes to the Accounts (continued)

### 25 Defined benefit obligations (continued)

#### Local Government Pension Scheme (Continued)

##### Movement in net defined benefit (liability/asset) during the year

	2024	2023
	£'000	£'000
Net defined benefit liability in scheme at 1 August	-	(15)
Movement in year:		
Current service cost	(2,109)	(2,750)
Employer contributions	2,378	2,061
Unfunded Benefits	3	3
Past service cost	-	-
Net interest /(expense) on the defined liability	7	(13)
Actuarial gain /(loss)	(279)	714
<b>Net defined benefit liability at 31 July</b>	<b>-</b>	<b>-</b>

##### Asset and Liability Reconciliation

	2024	2023
	£'000	£'000
<b>Changes in the present value of defined benefit obligations</b>		
<b>Defined benefit obligations at start of period</b>	52,215	62,598
Current Service cost	2,109	2,750
Interest cost	2,659	2,221
Contributions by Scheme participants	652	572
Changes in financial assumptions	(478)	(14,406)
Estimated benefits paid	(1,866)	(1,520)
<b>Defined benefit obligations at end of period</b>	<b>55,291</b>	<b>52,215</b>

##### Changes in fair value of plan assets

	2024	2023
<b>Fair value of plan assets at start of period</b>	65,556	62,583
Interest on plan assets	3,340	2,208
Return on plan assets	3,078	(351)
Employer contributions	2,378	2,061
Contributions by Scheme participants	652	572
Estimated benefits paid	(1,863)	(1,517)
<b>Fair value of plan assets at end of period</b>	<b>73,141</b>	<b>65,556</b>

The College is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed by the UK Government's Actuary's Department and/or any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

## Notes to the Accounts (continued)

### 26 Related party transactions

Due to the nature of the College's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the college's financial regulations and normal procurement procedures.

The following table shows the Governor and Senior Post Holder related party interests in organisations and companies with which IEG had a trading relationship during the year ending 31st July 2024

Name & Nature of interest	Organisation/Company and nature of relationship with IEG
<b>David Pennell</b> (IEG Chair & CEO Burghley House Preservation Trust)	Burghley House Preservation Trust - Landlord of Borderville Sports Centre Borderville Management Ltd Director QRS
<b>Rachel Nicholls</b> (CEO & UCP Council Member)	Director UCP Chair of Peterborough Citizens (unremunerated) Wife employed by IEG as teacher Director QRS
<b>Louise Perry</b> (IEG CFO and Director of Subsidiaries)	Director QRS Director UCP Trustee of Inspire Education Group Educational Trust
<b>Marco Cereste</b> (IEG Governor & PCC Councillor)	Cabinet Member, Peterborough City Council
<b>Martin Ballard</b> (IEG Governor)	Wife Head of Humanities at Stamford Welland Academy
<b>Les Ebdon</b> (IEG Governor & Chair of UCP Council)	University Centre Peterborough Chair of Council Open University Honorary Duniv
<b>Tony Keeling</b> (IEG Governor)	Royal Air Force – current role Commandant RAF Air Cadets Trustee – RAF Aircraft Engineering Apprentice Trust (formerly RAF Halton Apprentice Trust)
<b>Mark Woods</b> (UCP Governor)	CEO of the Meridan Trust which includes business relationships with Greater Peterborough UTC, Thomas Deacon Academy and the Peterborough United Foundation
<b>Vincent Brittain</b> (IEG Governor & Inspire+ CEO)	Inspire+ is an IEG Subcontract partner

## Notes to the Accounts (continued)

### 26 Related party transactions (continued)

The following transactions have taken place during the Financial Year ending 31st July 2024 between IEG and organisations in which there is a related party interest.

	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>Expenditure</b>	<b>Expenditure</b>	<b>Income</b>	<b>Income</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
QRS	3,989	4,220	3,989	4,220
UCP	73	192	2,411	2,727
Burghley House Preservation	15	15	-	1
Inspire+	316	571	1	1
Peterborough City Council	110	109	3,256	1,313
Greater Peterborough UTC	-	-	1	1
Thomas Deacon Academy	-	-	35	12

	<b>Amounts</b>	<b>Amounts</b>	<b>Amounts</b>	<b>Amounts</b>
	<b>Owing at 31</b>	<b>Owing at 31</b>	<b>Owed at 31</b>	<b>Owed at 31</b>
	<b>July 2024</b>	<b>July 2023</b>	<b>July 2024</b>	<b>July 2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
QRS	148	156	-	-
UCP	-	-	564	2,521
Burghley House Preservation	-	-	-	-
Inspire+	32	32	1	-
Peterborough City Council	66	91	306	91
Greater Peterborough UTC	-	-	1	-
Thomas Deacon Academy	-	-	12	4

### 27 Amounts disbursed as agent

<b>Learner support funds (Group and College)</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Opening Balance of unspent funds	1,145	825
16 - 18 bursary grants	1,001	1,422
Other funding body grants	-	10
	<u>2,146</u>	<u>2,257</u>
Disbursed to students	(1,177)	(1,060)
Administration costs	(59)	(52)
<b>Balance unspent as at 31 July, included in creditors</b>	<u><b>910</b></u>	<u><b>1,145</b></u>

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

## Notes to the Accounts (continued)

### 28 Events after the reporting period

None to report.

### 29 Access and participation expenditure

<b>Group</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Access investment	93	108
Financial support provided to students	118	156
Support for disabled students	50	31
Research and evaluation related to access and	36	43
Total access and participation expenditure	<u>297</u>	<u>338</u>

<b>College</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Access investment	-	-
Financial support provided to students	-	-
Support for disabled students	-	-
Research and evaluation related to access and participation	-	-
Total access and participation expenditure	<u>-</u>	<u>-</u>

# **INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF INSPIRE EDUCATION GROUP AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH EDUCATION AND SKILLS FUNDING AGENCY**

## **Conclusion**

We have carried out an engagement, in accordance with the terms of our engagement letter dated 7 October 2024 and further to the requirements of the accountability agreement, grant funding agreements and contracts with the Education and Skills Funding Agency (the "ESFA") and the Department for Education (the "DfE") or those of any other public funder, to obtain limited assurance about whether the expenditure disbursed and income received by Inspire Education Group during the period 1 August 2023 to 31 July 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2023 to 31 July 2024 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

## **Basis for conclusion**

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

We have complied with the independence and other ethical requirements of the FRC's Ethical Standard and the ethical pronouncements of the ICAEW. We also apply International Standard on Quality Management (UK) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintain comprehensive systems of continuing quality management. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

## **Responsibilities of Corporation of Inspire Education Group for regularity**

The Corporation of Inspire Education Group is responsible, under the grant funding agreements and contracts with the ESFA and the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The Corporation of Inspire Education Group is also responsible for preparing the Governing Body's Statement of Regularity, Propriety and Compliance.

## **Reporting accountant's responsibilities for reporting on regularity**

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement does not enable us to obtain assurance that we would become aware of all significant

matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2023 to 31 July 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the grant funding agreements and contracts with the ESFA and those of any other public funder and high level financial control areas where we identified a material irregularity is likely to arise. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise where such areas are in respect of controls, policies and procedures that apply to classes of transactions.

This work was integrated with our audit of the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

### **Use of our report**

This report is made solely to the Corporation of Inspire Education Group and the Secretary of State for Education acting through the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corporation of Inspire Education Group and the Secretary of State for Education acting through the ESFA those matters we are required to state in a 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 Corporation of Inspire Education Group and the Secretary of State for Education acting through the ESFA for our work, for this report, or for the conclusion we have formed.

*RSM UK AUDIT LLP*

### **RSM UK AUDIT LLP**

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23 December 2024