



Inspire
Education Group

REPORT AND FINANCIAL STATEMENTS

For the year ended
31 July 2025

*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
Suneel Appan
Martin Ballard
Vincent Brittain
Gillian Beasley *Resigned 22 May 2025*
David Cashmore
Marco Cereste
Nicolas Crippa
Professor Sir Les Ebdon
Tony Keeling
Angela Morris
Gemma Roger
Jonathan Teesdale *Co-Opted member of Curriculum & Quality Committee*
Faustina Yang *Resigned 12 December 2024*
Qun Yang *Resigned 18 November 2024*
Steve Saffhill (Staff)
Tony Warner (Staff)
Marley Sheridan (Student) *Appointed October 2024*
Kris Varslavs Da Silva (Student) *Appointed October 2024*

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 until 31st March 2025. The role was also covered by Jane Spurgin, Interim Governance Director, from 4th November 2024 and she was formally appointed as Governance Director from 1st May 2025.

Key Management Personnel

Key management personnel are defined as members of the Group Executive Team and were represented by the following in 2024/25:

Chief Executive Officer	Rachel Nicholls
Chief Financial Officer:	Louise Perry
Chief Operating Officer:	Ed Thomas
Chief Curriculum Officer:	Julia Bates
Principal Registered Office:	Peterborough College, Park Crescent, Peterborough PE1 4DZ

Professional advisers

Financial Statement Auditor and Reporting Accountant	RSM UK Audit LLP, 1st Floor, Platinum Building, St John's Innovation Park, Cowley Road, Cambridge, CB4 0DS
Internal Auditor	Valldera, 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 2025.

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 1st 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 during 2023/24; the new five-year strategy was approved in July 2024, and was launched in September 2024. This is a six-year strategy, with an updated vision and mission as set out below.

'Our **Vision** is to be an exceptional learning organisation, empowering your future'

'Our **Mission** is to transform lives through inspirational and innovative learning'

The Group identified six strategic drivers, to inform the Strategic Priorities in the plan, these are:

- How we learn
- How we live
- How we use technology
- How we balance work and life
- How we secure our future
- How we serve our communities

These drivers set the direction for the nine strategic priorities for the period, these are:

- Continuously evolve our curriculum
- Inspire and engage students
- Harness technology
- Champion equality and diversity
- Create a campus of the future
- Cultivate a thriving workforce
- Lead the way in a sustainable future
- Empower communities
- Maintain a sustainable financial future

IEG's Resources

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

The Group employs 964 (2023/24 947) people, of whom 607 (2023/24 591) are teaching staff. Staff were either employed directly or through Quality Resourcing Solutions Limited, a subsidiary company.

IEG's student population includes 5,509 16 to 18-year-old students, 957 apprentices, 397 higher education students, and 4,451 adult learners.

The group has £42.283M (2024 £41.273M) of net assets, long-term debt of £4.533M (2024 £3.765M) and cash and cash equivalents of £7.350M (2024 £10.436M).

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)
- 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 2024/25 UCP maintained its TEF silver award for its teaching standards. IEG consolidated its status as one of very few Google Reference colleges in the UK, and the organisation achieved its cyber essentials plus 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 2
 - 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
 - Bakkaavor
 - 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 and devolved mayoral authority from May 2025
 - 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 1.

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 11,000 full and part time students, including 393 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 957 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 particularly upon its supplementary guidance on the advancement of education and that the required statements appear elsewhere in these financial statements.

Development and Performance

Current Performance

Student numbers 2024/25

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

Type of Provision	Numbers enrolled in 2024/25	Numbers enrolled in 2023/24
Education Programmes for young people	5,509	5,097
Adult learning programmes	4,451	4,396
Apprenticeships 16-18	546	361
19+	411	729
Provision for students with high needs (inc. above)	393	373
Delivery through partners (inc. above)	1,168	2,114
Higher education	397	578

Student achievements

The data table below shows overall retention, pass and achievement rate percentages for the Group in 2024/25 and two prior years:

All Ages	2024/25		2023/24		2022/23		
	IEG	National Average**	IEG	National Average	IEG	Provider Group	National Average
Leavers	17,027		17,356		15,481		
Retention %	90.7%	92.2%	93.7%	92.2%	93.7%	91.4%	90.4%
Pass %	96.8%	94.1%	94.7%	94.7%	94.1%	91.7%	92.4%
Achievement %	87.7%	84.2%	88.2%	84.2%	88.2%	83.8%	83.6%
Overall Achievement including T Levels and Foundation Courses*	87.8%		87.8%		NA		

*A growing number of IEG courses are excluded from the published achievement rates and are therefore included as an additional metric in the table above.

** This table uses the prior year national averages, there was none published during 2024/25.

Curriculum developments

Curriculum innovation is central to IEG's mission and future financial resilience. The Group designs and delivers programmes that anticipate labour market needs and reflect national, regional, and local priorities, and our Local Skills Improvement Plans. This approach ensures students and apprentices are equipped not only with qualifications but with the skills, experiences, and networks to succeed in their chosen careers. This includes health and social care, construction, digital and creative industries, logistics, and green technologies. Recent developments, such as the Centre for Green Technology and the expansion of construction pathways, demonstrate our commitment to investing in facilities and expertise that will sustain innovation well into the future.

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 DFE income.

The Group has continued to build effective links with local schools, continuing 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 Skills Fund (ASF) from Cambridge and Peterborough Combined Authority, the Group built a collaborative relationship with the authority and delivered 124.28% 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 2024-30 Strategy – Be Bold, Be Brave, Be Exceptional

The Inspire Education Group 2024/30 Strategy was published in September 2024.

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

Progress against strategic objectives

During 2024/25 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 fifth academic year of IEG was a success, following the 2023 'Good' Ofsted rating, and sustaining the elevated levels of attainment.

Strategic Priority 1: Continuously Evolve Our Curriculum

To anticipate future job markets, equip students with cutting-edge skills for lifelong success

Strategic Priority Purpose	2024/25 Progress
<p>Anticipate, Adapt, Achieve: Continuously scan the horizon to identify emerging job market trends and integrate cutting-edge skills into our curriculum</p>	<ul style="list-style-type: none"> Local Market Intelligence data is used in the Curriculum Plan to ensure the curriculum offer meets the needs of the local market Engagement with employers (Employer Boards) to support curriculum design
<p>Empowering All Learners: Equip every student, regardless of background, with the essential skills and knowledge to thrive in the ever-evolving workplace ensuring they are work ready</p>	<ul style="list-style-type: none"> All study programmes have at least two employer-led activities in year T Level Industry Placement Completion: the target is for 100% of students enrolled in T Level programmes to complete their mandatory industry placement Personal Development (PD) all full-time students are enrolled on a PD programme which covers a wide range of appropriate topics
<p>Literacy and Numeracy Champions: Maintain our unwavering focus on literacy and numeracy, ensuring all students possess a strong foundation for lifelong learning</p>	<ul style="list-style-type: none"> 10 new T Level pathways introduced in September 2024 T Level growth: 2023/24 37 growing to 340 learners in 2024/25 All T Level pathways have had at least one employer board in the 24/25 academic year. T Level pass rate is 100% for 24/25

IEG Strategic Report, contd.

Strategic Priority Purpose	2024/25 Progress
<p>Upskilling the Workforce: Collaborate with employers to deliver tailored programmes that bridge skill gaps and enhance employee capabilities</p>	<ul style="list-style-type: none"> • New HGV provision introduced with 56 enrolments 2024/25 • Accountancy Course Expansion: 56 additional students enrolled through the Mindful Education platform in 2024/25 • New Coding qualifications offered in partnership with the Coding Institute • Skills Bootcamps - Introduced in summer 2025 at Stamford and Peterborough
<p>Higher Education: Expand our higher education offer through degree apprenticeships and Higher Technical Qualifications, providing a seamless pathway for career advancement</p>	<ul style="list-style-type: none"> • Four HTQs introduced in 2024/25, a further three planned for 2025/26 • Counselling Diploma: Open University Higher Education Diploma in CBT successfully introduced in 2024/25
<p>Learning Without Limits: Break down geographical barriers with our Google learning platform, empowering students to access high-quality education anytime, anywhere</p>	<ul style="list-style-type: none"> • Prestigious Google Reference College status achieved • Google platform fully integrated across the Group for staff and students to support remote engagement • Innovation Hubs at both campuses support individual and small group learning of Google resources • Increased use of immersive classrooms to support cross campus delivery, staff training and employer engagement • Increased levels of Bursary support for travel costs

Strategic Priority 2: Inspire and Engage Students

Deliver exceptional teaching and learning so students achieve their full potential

Strategic Priority Purpose	2024/25 Progress
<p>Pedagogy at the Forefront: Teaching, learning and assessment will be at the core of everything we do, ensuring the highest quality educational experiences for all our students</p>	<ul style="list-style-type: none"> • All unqualified academic staff are supported to achieve a Level 5 teaching qualification • Team managers carry out learning walks throughout the year • Quality Learning Practitioner team in place
<p>Investing in Excellence: Empower our staff through ongoing professional development opportunities, fostering a culture of continuous learning and growth</p>	<ul style="list-style-type: none"> • Over 85 managers took part in Management Development Programmes • Staff are supported to achieve post graduate qualifications up to and including PhD • Significant upskilling of staff to deliver T Levels
<p>Thriving Learning Environments: Provide exceptional facilities for both students and staff, creating inspiring spaces that promote collaboration and innovation</p>	<ul style="list-style-type: none"> • Immersive classrooms • Innovation Hubs • VR suites • Centre for Green Technology

IEG Strategic Report, contd.

<p>Tech-Powered Learning: Leverage the power of technology to enhance teaching and learning, fostering deeper student engagement and personalised learning</p>	<ul style="list-style-type: none"> • All students develop essential digital skills within their study programs • Student Mentors provide online Blended Learning Consortium modules during personal development sessions • VR technology and spaces introduced at both campuses support alternative learning methods
<p>Nurturing New Talent: Offer comprehensive support for new staff members through our outstanding Quality Learning Practitioners, ensuring a smooth transition and fostering a sense of belonging</p>	<ul style="list-style-type: none"> • All new academic staff are supported by a member of the QLP team throughout their probation and beyond
<p>Empowered Educators: Encourage a culture of experimentation and risk-taking, valuing innovation and creative approaches to teaching and learning</p>	<ul style="list-style-type: none"> • Some outstanding practice but not consistent across the Group yet
<p>Student Achievement: Clear focus on high quality, developmental feedback that maximises student</p>	<ul style="list-style-type: none"> • Continued effective Quality Improvement Plans in place to support student outcomes • Focus on student retention and attendance

Strategic Priority 3: Harness Technology

Unleash the power of digital technology in everything we do

Strategic Priority Purpose	2024/25 Progress
<p>Digital Infrastructure: Continually invest in the latest technology, including immersive technology classrooms, to create dynamic and engaging learning environments</p>	<ul style="list-style-type: none"> • New Immersive classrooms and Innovation Hubs developed at both campuses • New VR equipment and spaces created to support innovative technologies • Vitalis wall in the CGT
<p>Empowering Educators Through Tech: Provide ongoing professional development focused on digital tools and strategies, delivered by our dedicated Digital Technology Team who stay abreast of the latest advancements</p>	<ul style="list-style-type: none"> • New staff are all given an initial introduction to the use of google classroom. • Dedicated digital tech team to support all staff
<p>Building on Google Expertise: Leverage our Google Reference College status to expand access to Google training for all staff, empowering them to harness the full potential of digital tools</p>	<ul style="list-style-type: none"> • All new staff achieve Level 1 Google Educator in their probationary period • Core staff trained in Google Educator 2.

IEG Strategic Report, contd.

Strategic Priority Purpose	2024/25 Progress
<p>Future-Proofing Technology Adoption: Maintain a relentless focus on staying current with evolving technologies, ensuring our digital infrastructure remains at the forefront.</p>	<ul style="list-style-type: none"> • The Digital Team supports staff engagement with new developments • IT refresh scheme • Investment in future proofing IT
<p>Data-Driven Decision Making: Further develop our Power BI capabilities to generate insightful data reports that illuminate opportunities for improvement and guide strategic decision-making.</p>	<ul style="list-style-type: none"> • A range of dashboards are available to support data driven decision making • Application and enrolment dashboards • SAR data packs • Attendance reports
<p>AI for Efficiency: Explore the potential of AI to streamline business service areas, maximising efficiency and minimising workload for staff.</p>	<ul style="list-style-type: none"> • IEG has continued to actively shape the digital education agenda through national and international engagement • Staff have presented at high-profile events, including Google, Canva HQ, and the Global Google Partner Forum, sharing IEG's approach to digital transformation with audiences of up to 250 • Staff have contributed to AI content development with the Department for Education • Driving recruitment campaigns through use of AI • AI use in governance
<p>Culture of Digital Curiosity: Foster a culture that embraces exploration and experimentation with new technologies, encouraging continuous learning and innovation.</p>	<ul style="list-style-type: none"> • IEG has continued to actively shape the digital education agenda through national and international engagement • Equip students with Google Digital Badges • Digital Technologists support students to build essential digital skills through the Google Hubs, offering walk-in help and targeted sessions

Strategic Priority 4: Champion Equality, Diversity and Inclusion

Forge a truly inclusive organisation where everyone has equality of opportunity to succeed

Strategic Priority Purpose	2024/25 Progress
<p>Equality for All: Champion a culture where everyone feels empowered to succeed and reach their full potential, regardless of background.</p>	<ul style="list-style-type: none"> • Apr 25 - AoC's equity, diversity and inclusion charter - IEG pledged a public statement • Endometriosis Friendly Employer Scheme • Disability Confident Committed Employer • Care Leaver Covenant
<p>Celebrating Diversity: Embrace a vibrant tapestry of cultures, beliefs and religions, recognising the immense value each individual brings to our organisation.</p>	<ul style="list-style-type: none"> • Cultural Awareness Events • Student Awards June 25 • Staff Awards July 25

IEG Strategic Report, contd.

Strategic Priority Purpose	2024/25 Progress
Strength in Difference: See diversity as a powerful asset, fostering an environment where all voices are heard and valued	<ul style="list-style-type: none"> • Active Student Voice • 'You said we did' programme • Analysis of disciplinary data
EDI Champions: Empower our EDI Committee and Special Interest Groups to shine a spotlight on the importance and benefits of Equality, Diversity, and Inclusion	<ul style="list-style-type: none"> • Established EDI committee and five Special Interest Groups
External Recognition: Actively pursue external recognition for our commitment and EDI work, solidifying our reputation as an inclusive and welcoming space for all staff and students	<ul style="list-style-type: none"> • College of Sanctuary • Kite Trust-Rainbow Flag • AoC Commended College Mental Health
Anti-Racist Practices: Implement robust anti-racist practices across all aspects of our operations, promoting a culture of fairness and respect	<ul style="list-style-type: none"> • Student behaviour policy and Code of Conduct setting out our expectations • Jan 2025 IEG joined Race Equality Matters to strengthen commitment to equality, diversity and inclusion
Zero Tolerance for Discrimination: Address any incidents of offensive or inappropriate behaviour swiftly and decisively, upholding our high standards	<ul style="list-style-type: none"> • Launch Its Not Banter Campaign across the City as part of Peterborough Citizens • Strong disciplinary action
Restorative Education: Where appropriate, utilise restorative practices to educate and empower individuals who fall short of expectations, fostering understanding and promoting positive change	<ul style="list-style-type: none"> • 'Restorative Practices' within Behaviour policies and procedures • Trauma informed training Student Support Teams

Strategic Priority 5: Create Campuses of the Future

Transform our estate into vibrant hubs of learning, community and innovation, with cutting-edge spaces that inspire

Strategic Priority Purpose	2024/25 Progress
Estate Transformation Blueprint: Execute our ambitious estate strategy and master plan, transforming our campuses into vibrant hubs of learning, community and innovation	<ul style="list-style-type: none"> • Masterplan - Peterborough campus has been completed • Investment brochure completed to secure outside investment • Phase 2 full application to be submitted in 2025/26 • Centre of Green Technology opened to students September 2025 - students will develop skills in sustainable construction and retrofit techniques, with a focus on modern methods of construction and electric vehicle technologies

Strategic Priority Purpose	2024/25 Progress
<p>Securing Capital Investment: Actively pursue capital funding opportunities, leveraging the success of the Centre for Green Technology to demonstrate the positive impact of investment on our educational mission</p>	<ul style="list-style-type: none"> • Progress made in progressing funding opportunities • Investment brochure is in place • Key stakeholders have been lobbied with support secured at a local, regional and political level • Potential DFE bidding option and local authority funding which could potentially fund Phases 2 - 4
<p>Financial Sustainability: Maintain sound financial planning and performance to ensure the resources required to deliver our campus refurbishment programme and upgrade ageing facilities</p>	<ul style="list-style-type: none"> • Driven down life cycle costs • Procured new property software • Meeting DFE Financial health Good and FE Commissioner benchmark
<p>Showcasing Success: Utilise the Centre for Green Technology as a flagship example, showcasing the transformative power of investment in creating cutting-edge learning spaces that inspire and empower students</p>	<ul style="list-style-type: none"> • Range of successful events and publicity around CGT development
<p>Scaling for Growth: Accommodate our expanding student population by ensuring our campuses are equipped to meet future enrolment demands</p>	<ul style="list-style-type: none"> • Masterplan developed for future delivery • Created 32 new classrooms in year (equivalent to a 1,500-place secondary school)
<p>Strategic Mergers: Explore potential mergers that strategically enhance our curriculum offer, our portfolio of buildings and resources, furthering our commitment to providing exceptional educational experiences</p>	<ul style="list-style-type: none"> • The Bridge - Peterborough town off site location for NEET engagement • Explored opportunities that had synergy with IEG

Strategic Priority 6: Cultivate a Thriving Workforce

Create an exceptional culture where wellbeing is prioritised and employees feel valued, engaged and empowered

Strategic Priority Purpose	2024/25 Progress
<p>Investing in Our People: Recognise that our staff are the cornerstone of our success. We prioritise creating an exceptional culture that fosters wellbeing, innovation and excellence</p>	<ul style="list-style-type: none"> • Successfully ended agency model arrangement, transferring 170 people to IEG contracts • Pay award of 3% for all employees in 2024/25 • Delivered two full and comprehensive Management Development Programmes • Introduced a programme for Emerging Leaders - Six Steps to Success

IEG Strategic Report, contd.

Strategic Priority Purpose	2024/25 Progress
<p>Prioritising Wellbeing: Maintain a relentless focus on staff wellbeing and mental health, providing comprehensive support structures and promoting a healthy work-life balance</p>	<ul style="list-style-type: none"> • Implemented new OH provider. • Held multiple well attended mental health drop in sessions • Publicity secured around culture from Positive article in The Daily Telegraph highlighting work around culture and well-being. • Held regular menopause cafe's • Carried out Flu jabs and Blood pressure check-up for employees during winter • Mental Health Champions support mechanism in place for employees • CPD/wellbeing week with many activities for employees.
<p>Open Communication Channels: Cultivate strong relationships with staff through our Employee Communication Groups, ensuring open and transparent communication at all levels</p>	<ul style="list-style-type: none"> • Increased feedback from employee survey, • CEO drop ins and active employee communications group
<p>Taking the Pulse of Our Culture: Regularly assess our organisational culture through surveys, staff drop-in sessions and feedback from employee representatives</p>	<ul style="list-style-type: none"> • Employee survey completed and benchmarked against wider sector
<p>Supportive Performance Management: Implement fair and supportive performance management practices that acknowledge the impact on students and colleagues of unaddressed issues</p>	<ul style="list-style-type: none"> • New performance review process developed and implemented to link with wider IEG strategy
<p>Change Management Champions: Deliver collaborative and effective change management strategies, minimising disruption and fostering staff buy-in</p>	<ul style="list-style-type: none"> • Multiple restructures completed during the academic year to ensure structure aligns to delivery of strategic priorities.
<p>People Strategy Powerhouse: Deliver on the promises outlined in our People Strategy, solidifying our commitment to attracting, retaining and developing top talent</p>	<ul style="list-style-type: none"> • Restructure of People Services • Initial People strategy approved and implementation of KPI's underway • Large scale recruitment achieved throughout 24/25 including summer and Christmas recruitment drives to meet resourcing need • Culture and people work highlighted in telegraph news article on IEG in partnership with HR system provider MHR

Strategic Priority 7: Lead the Way in a Sustainable Future

Become a pioneering force in environmental sustainability. Embed eco-consciousness across our organisation, inspiring future generations to be responsible stewards of the planet

Strategic Priority Purpose	2024/25 Progress
<p>Eco-Conscious Champions: Lead the way in environmental sustainability, embedding eco-consciousness across all facets of our organisation</p>	<ul style="list-style-type: none"> • Green Group and associated action plans in place with membership expanded • Green champions established at both campuses to drive the actions within the green plans • Significant progress has been made in terms of recycling, waste management, litter picking and energy procurement
<p>Inspiring the Next Generation: Foster a culture of environmental stewardship, empowering future generations to become responsible guardians of our planet</p>	<ul style="list-style-type: none"> • Sessions held with A level students, and Student Councils at both campuses • Student tours and toolbox talks during construction of the CCT and various WEX opportunities generated through the sustainable construction
<p>Operational Efficiency: Implement sustainable practices across our operations, minimising our environmental footprint and optimising resource utilisation</p>	<ul style="list-style-type: none"> • Progress made in terms of waste management, energy monitoring and procurement • Carbon reduction has been driven forward positively with consumption reducing by 40,000kWh across the group through SOLAR PV, LED lighting replacement, new efficient boilers and pipework replacement
<p>Centre for Green Technology Catalyst: Leverage our Centre for Green Technology and our membership of the Retrofit Academy as a catalyst for innovation, promoting sustainable practices and inspiring collaboration with the wider community</p>	<ul style="list-style-type: none"> • Numerous high-profile visits from politicians, industry, local community and key stakeholders locally to highlight the success and green credentials of the build • Delivered high quality Green skills centre, that genuinely impacts our carbon footprint.
<p>Curriculum for Change: Integrate sustainability principles into our curriculum, equipping students with the knowledge and skills necessary to address environmental challenges</p>	<ul style="list-style-type: none"> • The centre allows for additional qualifications to be introduced for both full time and part learners • The new curriculum offer includes drone technology, thermography, hybrid boilers and air and ground source heat pumps, electric charging systems and battery regeneration and storage

IEG Strategic Report, contd.

Strategic Priority Purpose	2024/25 Progress
Community Partnerships: Forge strategic partnerships with local and regional environmental organisations, fostering collective action towards a sustainable future	<ul style="list-style-type: none"> • Partnerships developed with Carbon Trust, Green Apple environment awards • Working alongside suppliers for CGT: Rolec, Worcester Bosch
Leading by Example: Continuously seek new opportunities to reduce our carbon footprint and embrace environmentally friendly practices, setting a powerful example for others	<ul style="list-style-type: none"> • Developing partnership with Viridas CPD, sustainable construction and decarbonisation organisation, to develop a decarb plan for our estate and seek funding for renewable transition

Strategic Priority 8: Empower Communities

Become a catalyst for positive change, inspiring individuals, communities and businesses through our expertise, partnerships and innovative programmes

Strategic Priority Purpose	2024/25 Progress
Building on Success: Leverage our existing networks and forge new collaborations to tackle shared challenges and unlock collective solutions	<ul style="list-style-type: none"> • Founding partner of Lincs NHS group • Engineering & Manufacturing Industry Advisory board all other Industry Advisory Boards launched in November 2025 • Collaboration with Cambridge & Peterborough chambers of commerce - active participants in LSIP.
Education for All: Work in partnership with stakeholders to ensure those furthest from employment have access to educational opportunities that empower them to succeed	<ul style="list-style-type: none"> • Community delivery through partner GLADCA • Collaboration with private training providers and Community Interest Companies to extend reach
Multi-Pronged Approach: Collaborate with devolved authorities, city and district councils, chambers of commerce, federation of small businesses, universities, schools, employers and charities. This multipronged approach fosters a powerful network that drives positive change	<ul style="list-style-type: none"> • Strong engagement in local awards events • Citizens events • CEO holds external roles - Towns Fund Peterborough Citizens, Trustee of Peterborough Council of Voluntary Services and Trustee of the Skills & Education Board • Regular engagement with CPCA, Chamber of Commerce, GLCCA and Federation of Small Businesses • Developing relationship with new Assistant Director of Skills CPCA
Partnership as Power: View partnerships as a strategy to inspire and deliver transformative change. By working together, we can achieve more than any single entity can alone	<ul style="list-style-type: none"> • Lincolnshire IoT membership in year • Lincs NHS Project Group
Co-Designing the Future: Engage stakeholders in co-designing curriculum that is relevant, impactful and life-changing	<ul style="list-style-type: none"> • Apprenticeship and T Level panels with local employers • Engineering L2 Operative standard developed by Engineering Advisory Board • Co design of introduction NHS workforce • Bootcamp - co-designed with Peterborough NHS

IEG Strategic Report, contd.

Strategic Priority Purpose	2024/25 Progress
<p>Community Organising Champions: Deepen our commitment to community organising methodology through ongoing work as part of Peterborough Citizens</p>	<ul style="list-style-type: none"> • IEG hosted Peterborough Citizens 'It's not Banter' event, bringing together educators from across the city • IEG hosted Peterborough Citizens Mayoral Assembly, championing civic engagement and community leadership
<p>Leading by Example: Serve as a model for social responsibility, inspiring others to contribute to a more vibrant and equitable society</p>	<ul style="list-style-type: none"> • Convening of City-wide NEET project group, working with systems leaders in the region

Strategic Priority 9: Maintain a Sustainable Financial Future

Grow and diversify our income, ensuring financial resilience for investment in our people and campuses

Strategic Priority Purpose	2024/25 Progress
<p>Financial Stewardship: Prioritise careful and responsible resource management to ensure long-term financial health and stability</p>	<ul style="list-style-type: none"> • Embedded financial management framework, aligned to DfE best practise guidelines, reporting all key financial health metrics and FE commissioner benchmarks. Covering EBITDA, Current ratio, Gearing, and Three-year rolling cash forecast
<p>Strategic Investment: Fuel growth and development through the creation of an innovative curriculum offer aligned with Priority 1</p>	<ul style="list-style-type: none"> • Investment of funding strategically • Alignment of resources and Capital Plan to finances to ensure strategic projects can be developed: <ul style="list-style-type: none"> CGT Condition Funding LSIF: HTQs
<p>Data-Driven Decisions: Enhance the connectivity between our finance, payroll, HR and MIS systems to generate comprehensive data insights that guide financial decision-making</p>	<ul style="list-style-type: none"> • Data provision is good for finance and payroll. People Services and MIS data requires further development
<p>Value for Money Champions: Negotiate strategically and leverage our purchasing power to ensure we receive the best value for every pound spent</p>	<ul style="list-style-type: none"> • Utilities, transport - best value for money achieved • Shared CPD - VIM champions within IEG
<p>Benchmarking Best Practices: Regularly benchmark our financial performance against similar institutions to identify areas for improvement and confirm we are on track for financial sustainability</p>	<ul style="list-style-type: none"> • Debt recovery benchmarking undertaken in year

Financial Review

Our 2024/25 progress is defined in the table below:

	2024/25 Target	2024/25 Actual
Financial Health	Good	Good
Financial Management	Good	Good
Cashflow from operations before Capital Investment £'000s	3,514	4,372
Over 60 days cash in hand	78	49
Current ratio above 1.4	1.49	1.45
Positive Balance on reserves (excl. Pension Liability) £'000s	42,952	42,283
Cash based operating surplus greater than 6% of income	6%	6%
Pay costs as a percentage of income	68.42%	66.61%
Borrowing less than 30% of income (Excluding Capital Grant Funding)	6.94%	7.73%
Borrowing less than 20% as a % of net current assets (excl. pension liability)	27.97%	129.06%

The Group made a surplus of £1.010M (2023/24 surplus of £0.304M, part of this was caused by the revaluation of the Group's share of the Local Government Pension Scheme assets and liabilities, The Group's operating performance was £1.722M (2023/24 surplus of £0.865M).

The surplus was lower than the original budget, due to investment in the Estates Masterplan being agreed during the year. There were also a number of significant funding and taxation announcements in year that had a material impact on the surplus position. The change in National Insurance Contributions (and associated partial cover grant), changes in Employer Pension Contributions, a one-off FE grant, and the in-year growth funding being received at 67% of earned value were the key in year uncertainties.

The Group has accumulated reserves of £42.283M (2023/24 £41.273M) and cash and cash equivalent investment balances of £7.906M (2023/24 £12.428M).

The Group has significant reliance on the DfE and CPCA for its principal funding source, largely from recurrent grants. In 2024/25 this was 84%, in 2023/24 the DfE/CPCA provided 80% of the Group's total income.

The Group is required to complete the Annual Finance Record for the Department for Education (DfE), having absorbed the Education and Skills Funding Agency during the year. The Finance Record produces a financial health grading. The rating for 2024/25 is 'Good' financial health.

Capital Investment

The Group invested £12.869M in capital expenditure. The majority of investment in 2024/25 related to the construction of the Centre for Green Technology at Peterborough College, with practical completion in February 2025. This was a £13.9M project, providing a three-storey building consisting of workshops, laboratories and classrooms. Ongoing refurbishment of a number of areas of college buildings, IT and curriculum equipment replacement also took place. The net book value of tangible assets at the end of 2024/25 was £66.030M (2023/24: £56.547M).

IEG Strategic Report, contd.

The group secured £0.9M in grant funding in 2022 to support a £3M refurbishment programme at Peterborough College. This programme focused on improving the fabric of the building and started in 2022, and completed in December 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.

In UCP £0.305M capital was utilised upgrading higher education facilities during 2024/25. 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.

At the end of 2024/25 IEG received an FE Capital Grant of £2.398M, to be invested over the next three years. The timing of this grant meant it was not spent during this year.

The Group secured two Local Skills Investment Fund grants totalling £0.925M during 2023/24, the project continuing into 2024/25, with a completion date of March 2025. During 2024/25 £0.569M capital was deployed to provide state of the art equipment for key sectors.

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 £4.816M, with £12.869M invested in capital asset investments.

Liquidity

The Group currently has cash reserves of £7.350M (2024: £10.436M). In 2023/24 IEG entered into an agreement for a loan with the Department for Education of £5.5M to support capital investment in the Centre for Green Technology. By 31st July 2025 IEG had drawn down the entirety of the loan and commenced repayments. At this date £0.413M of capital and £0.283M of interest was repaid.

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:

- Wave 6 Skills Bootcamps funding was awarded, for delivery in 2025/26
- A NEET hub in Peterborough City Centre called 'The Bridge' is being set up
- 14-16-year-old provision continued, working directly with six Peterborough Schools this is seen as a key area for growth for the organisation

IEG Strategic Report, contd.

- The centre for Green Technology building completed, creating over 2,400 sqm of high-quality learning space, focused on sustainable industries, with Students starting to learn in the building from September 2025
- A consolidation of T Level delivery, after a 100% pass rate for the first cohort in Summer 2025
- UCP will commence delivery of degree level apprenticeships

Financial plan

The IEG governors approved a financial plan in July 2025 that sets objectives for the period to 2028. The plan was written to maintain its financial health rating of 'Good' and achieve a surplus in the year to 31 July 2026 and all future years, in line with the Group's Strategic Priorities.

Student recruitment in September 2025 showed growth in further education, Apprentices and HE student numbers. The level of growth puts pressure on the expenditure budgets in year. Adult Skills Funding allocations have reduced for 2025/26, leading to a contraction of the programmes funded by this funding stream.

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.

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 £7.906M. (2024: £12.428M)

Reserves Objective	2024/25
The total amount of funds the group holds at the end of the reporting period	£42,283M 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 - £7.394M Capital Reserve - £0.115M
Identify and explain any material amounts which have been designated or otherwise committed at the end of the reporting period	None at the year end
The timing of the expenditure of any material amounts designated or otherwise committed at the end of the reporting period	None at the year end
Identify the amount of any fund that can only be realised by disposing of tangible fixed assets	£38,772M 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 £3.512M as per Group Balance Sheet Less: EOM capital commitments Revised value £3.512M
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 2025 103% Liquid Reserves as a percentage of operating income (net of donated assets) to be greater than 10% - July 2024 13% Cash Holding at min 45 days of expenditure - July 2025 49 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 review and appraisal will review their effectiveness and progress against risk mitigation actions. In addition, 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 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 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 2024/25 no new risks were added, nor were any removed. 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
Positive Group Ethos	<p>Failure to establish a positive group ethos resulting in:</p> <ul style="list-style-type: none"> Low staff morale, impacting on achievement of the Group's goals and aims Degradation of the student learning experience and support Lack of innovation and organisational development
Enrolments	<p>The Group fails to attract sufficient applicants, and fails to convert applications into enrolments, resulting in:</p> <ul style="list-style-type: none"> 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
Governance	<p>Failure of the Governing Body to effectively provide strategic direction and monitor Group performance resulting in:</p> <ul style="list-style-type: none"> Students failing to optimise their performance and personal outcomes A poor Ofsted grade Failure to achieve strategic goals and aims
Cyber Security	<p>The Group suffers a major IT cyber security breach or technical failure resulting in:</p> <ul style="list-style-type: none"> 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.
Safeguarding	<p>A major safeguarding incident occurs within the College or sub-contractor, and is not dealt with appropriately, resulting in:</p> <ul style="list-style-type: none"> Student suffers mental or physical harm IEG suffers reputational damage as a result of a serious safeguarding breach
Subsidiaries and Sub-contractors	<p>Subsidiary and sub-contractor performance issues resulting in:</p> <ul style="list-style-type: none"> 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
Stakeholders	<p>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)</p> <p>Students and communities do not recognise the Group as a good place to enrol</p> <p>Reputational damage, and a loss of goodwill within the wider community. Failure to secure funding for projects - capital and revenue</p>
Health and Safety	<p>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.</p> <p>IEG is prosecuted or fined by HSE.</p>
Finance	<p>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.</p> <p>Resulting in IEG being unable to invest in good quality resources and services to enhance the student experience</p>
Quality	<p>The achievement rates/student outcomes decrease when compared to prior years resulting in students not achieve desired outcomes, impacting on their destination options</p> <p>IEG's position in National Performance Tables and/or Ofsted grade which in turn may impact on future recruitment/reputation</p>
Higher Education	<p>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:</p> <ul style="list-style-type: none"> 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.
Staffing	<p>Failure to attract, recruit and retain staff resulting 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.</p>
Apprenticeships	<p>Apprenticeship performance issues resulting in:</p> <ul style="list-style-type: none"> 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 9 to 19.

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 2024 to 31 July 2025 the Group paid 71% 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 2.15% in emissions over the year, in a year where more staff were employed, and more students on site, than in the prior year. When calculated as emissions per staff member during 2024/25 this has improved by 3.8%. This is based on the average number of employed staff per year of 964.

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

Group

- Encouraged hybrid working across the group for staff
- To further reduce our operational carbon footprint and support employee health, we relaunched our Cycle to Work scheme. This was positively received, with 25 participants in the year
- Reviewed the home to college transport for students to reduce duplication where public transport routes exist, this is to encouraging the use of public transport where possible
- Staff have undertaken training on new green technologies in the Construction industry enabling them to train employees of the future
- Upgrading of and reduced the digital signage to timer-controlled energy efficient models
- Inefficient projectors in classrooms have been replaced with energy efficient interactive boards
- Purchased an electric van for the Estates departments
- Reduced the number of pool cars
- Encouraged reuse, repair, recycle for all items
- Promoted and encouraged food waste separation as per new legislation

Peterborough College and UCP

- Consolidated provision in Peterborough to maximise building utilisation
- Centre for Green Technology build completed. This is a new net zero building at Peterborough to deliver Green Technologies curriculum. This has the capability of generating nearly 70,000 kWh per annum of electrical power through its Photovoltaic panels
- Upgraded all external lighting on the Peterborough campus to LED
- Replaced all internal lights to LED throughout the buildings
- Boiler replacement for the main building, 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
- Created new recycle stations for waste separation

Stamford College

- Upgraded all external lighting on the Stamford campus to LED
- Replaced all internal lights to LED throughout the buildings
- Upgraded equipment in commercial kitchens was installed to reduce food waste

Recognition of IEG Progress

- 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
- The Group are shortlisted finalists for the Environmental Champion in the Rutland & Stamford Mercury Awards

Future Plans

- Moving to UK based renewably sourced electricity for the Group starting from October 2025
- Transferring to flexible procurement model for gas, securing the best whilst driving down consumption
- Replacement of more windows on the Peterborough site
- 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
- 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
- Development of an 'Estates Masterplan' to ensure that our physical environment directly supports our core mission, vision and environmental aims
- Development of groupwide 'Sustainability Strategy' designed to lower emissions, drive culture changes and increase sustainability across key environmental metrics
- Decarbonisation plan and green action plan to support the delivery of sustainability KPI's
- Further implementation of renewable technology across all IEG campus

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 2025 UK Government's Conversion Factors for Company Reporting are as follows:

UK Greenhouse gas emissions and energy use data for the period	2024/25	2023/24
<u>Energy consumption used to calculate emissions (kWh)</u>		
Gas	3,717,911.79	3,733,219.45
Electrical	2,551,941.12	2,590,255.28
Transport Fuel	322,405.99	207,030.76
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	680.23	682.81
Owned transport	22.99	25.97
Total	703.22	708.78
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	451.69	505.72
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee-owned vehicles	57.59	24.66
Total gross emissions in metric tonnes CO2e	1,212.50	1,239.16

Intensity ratio

Metric tonnes CO2e per staff member	1.26	1.31
Metric tonnes CO2e per enrolled student	0.1072	0.1074
Metric tonnes CO2e per square meter floor area	0.024	0.026

Intensity ratio

Our chosen Intensity ratio is total gross emissions in metric tonnes CO2e per staff member, consistent with the sector's recommended standard. Additional intensity ratios have also been selected to provide a more comprehensive view of our operational footprint.

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	1.561

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	£9,088
Total pay bill	£41.85M
Percentage of pay bill spent on facility time	0.2%

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. The following tables summarise this report.

	Year ending 31 March 2025
Mean gender pay gap	9.0%
Median gender pay gap	16.4%
Mean bonus gender pay gap	42%
Median bonus gender gap	34%
Proportion of males/females receiving a bonus	0.317% male 0.106% female

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

	Males	Females
1 - Lower quartile	25.11%	74.89%
2	25.71%	74.79%
3	38.87%	62.13%
4 - Upper quartile	52.50%	47.50%

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. It has been confirmed that the core funding rate for 2026/27 will rise, though there remains some uncertainty. Models predict 2% in advance of Government announcements. Costs include the impact of 2025/26 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 11th December 2025 and signed on its behalf by:



David Pennall
Chair

IEG Statement of Corporate Governance and Internal Control

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 2024 to 31 July 2025 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 Further Education Code of Good Governance for English Colleges ("the Code")
- In full accordance with its responsibilities under UK Charity Law

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.

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 new Association of Colleges (AoC) Further Education Code of Good Governance 2024 (amended June 2025). IEG adopted this at the Corporation Board meeting on the 12 December 2024.

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 2025. This opinion is based on an internal review of compliance with the AoC Code of Good Governance, presented to IEG Corporation in March 2025. The completed review will be reported to the Corporation Board on 16th October 2025.

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	Commitment Served	Total Attendance	Possible Attendance	Percentage
Suneel Aggar	External	01/09/2023	01/09/2027	Corporation, F&R	9	9	100%
Mazin Bakari	External	03/06/2021	01/07/2025	Corporation, Audit	9	10	90%
Gillian Beasley	External	18/10/2022	Resigned 22/06/2025	Corporation, Audit	6	8	75%
Vincent Britton	External	17/09/2022	17/09/2024	Corporation, C&Q	7	9	78%
David Calhoun	External	01/09/2023	01/09/2027	Corporation, F&R	8	9	89%
Marco Ceszce	External	31/07/2024	31/07/2026	Corporation	2	6	33%
Nicholas Cripps	External	21/03/2024	21/03/2028	Corporation, C&Q	6	9	67%
Sir Les Ebdon	External	26/12/2023	26/12/2025	Corporation	4	6	67%
Tony Fleming	External	31/07/2024	31/07/2028	Corporation, Audit, Search	12	13	92%
Parvati Kibey	External	23/02/2023	23/02/2027	Corporation, C&Q, Search	11	12	100%
Angela Mema	External	31/07/2024	31/07/2028	Corporation, F&R, Search	11	12	92%
David Parnell	External	31/07/2024	31/07/2028	Corporation, F&R, Search	11	12	92%
Gemma Roger	External	05/03/2024	05/03/2028	Corporation, Audit	9	10	90%
Jonathan Teasdale	External (Co-Chair)	17/10/2023	17/10/2026	C&Q	2	3	67%
Faustine Yang	External	13/12/2021	Resigned 12/02/2024	Corporation, F&R	2	3	67%
Qun Yang	External	13/12/2021	Resigned 18/11/2024	Corporation, Audit	1	2	50%
Rachel Nicholls	CEO	Ex-Officio		Corporation, F&R, C&Q, Search	16	16	100%
Steve Saffell	Staff	31/07/2024	31/07/2028	Corporation, C&Q	7	9	78%
Anthony Warner	Staff	27/02/2023	27/02/2026	Corporation, C&Q	8	9	89%
Maree Sheridan	IC Student	Oct-24	31/07/2025	Corporation, C&Q	6	7	71%
Kris Varshe Da-Siva	IC Student	Oct-24	31/07/2025	Corporation, C&Q	6	7	71%

Governance Director (August 2020 to April 2025): Joanne Wyatt
 Interim Governance Director (from November 2024 to May 2025): Governance Director (from 1 June 2025): Jane Bourne

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 and has one strategic awayday event.

IEG Statement of Corporate Governance and Internal Control, contd.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation.

The committee structure was amended in year, the Governance and Search committee was split into a Search Committee, and a Governance and Remuneration Committee, reflecting the best practise recommendations from the Weston College report.

The revised committees are Finance and Resources, Search, Governance & Remuneration, 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 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.

IEG Statement of Corporate Governance and Internal Control, contd.

Members retiring at the end of their term of office shall be eligible for reappointment for a maximum of one further term (any extension beyond the recommended maximum can only be made in exceptional circumstances).

Corporation Performance

During 2024/25 two Governor development events were held on 11/12th February 2025 and 8 May 2025. 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.

The IEG Corporation approved a governor development plan for 2025/26 on 3 July 2025 arising from the 2023/24 external Board assessment and discussions held at the strategic awaydays – the plan will be reviewed and adapted throughout the year. An internal annual IEG Corporation self-assessment report for 2024/25 was considered by the IEG Corporation on 16 October 2025, adopting the AoC Further Education Code of Good Governance for English Colleges. Compliance and performance against the code will be reviewed annually.

GOVERNANCE AREA	RECOMMENDATION
Develop and enhance Governor Induction	Incorporate ongoing development and mentoring opportunities to expand existing approach. Consider a formal buddying system for governors
	Create a new Governor Handbook
	Review and update the handbook/directory of key information to enhance induction experience of new members and enable them to 'hit the ground running'
	Ensure all new governors receive appropriate induction training (including staff and student governors)
Identify Governor Training and create programme	<ul style="list-style-type: none"> Arrange regular key presentations by Managers Safeguarding Marketing Strategy Understanding IEG Financial Status Governor upskilling in advancements in AI Annual Review of IEG Strategic Priorities Encourage take up of AoC /ETF Governor training opportunities
Board Membership	<ul style="list-style-type: none"> Recruit new governors to complete Corporation membership, filling identified skills Succession plan for future governor, Chair and Vice Chair vacancies
IEG Governance Development Plan	Review the development plan following the self-assessed Board effectiveness strengths and development areas arising from the full Board Assessment.
UCP Governance Development Plan	Create a Governance Development Plan for UCP Council Members
UCP Council Terms of Office	Align UCP Council Terms of Office with IEG Governor Terms of Office
Develop opportunities/time for more strategic discussion for Board members	Review the Business Cycle Schedules for the Board and its Committees to see how, regulatory and business items may be clustered to enable more time for strategic discussion on key topics
	Consider progress against strategic priorities annually at the start of the academic year
Length of agenda and timings of meetings	Review schedule of work and how much can realistically be achieved in the time allocated to Corporation and Committee meetings
	Extend F&R, G&Q, Corporation Board and UCP Council meetings to 2 hrs
Management Engagement	Invite more middle managers to present to the Board on their topics
Schedule of meetings	Review the schedule of Board and Committee meetings for 2025/26 to minimise peak stress points during the year, where possible
Further embed use of Governance portal to maximise functionality available	Review with users and actively promote and encourage the use of additional functions
Board members to be offered more opportunity to get to know each other	Arrange awaydays to encourage understanding of governor backgrounds to further build relationships
Strengthening the UCP Governance structure to ensure effectiveness and reduce duplication of work	Complete the incorporation of the UCP Audit and Governance & Nominations Committee into IEG
Governor Links	Continue Link Scheme and ensure all identified link areas have a governor

IEG Statement of Corporate Governance and Internal Control, contd.

GOVERNANCE ARE CONT.	RECOMMENDATION
Encourage more student governor involvement	Invite student governors to strategic events to add student perspective/voice
	Governor link visits to include student representatives whenever possible
	Consider introducing governor events to meet with groups of students (e.g. 1 governor meet with 20 students more impactful) – perhaps as part of Link Visits/Chairs to actively invite comment from students at meetings
Create environment to increase staff governor input	Strengthen staff governor role by inviting to CEO staff/student drop in events
	Market and communicate the role of staff governor more effectively Chairs to actively invite comments from staff governors at meetings – actively seek opinion
Explore the use of AI to reduce governance burden	Explore ways in which AI can assist governors with reading/absorbing and understanding reports
	Explore and introduce TeamEngine AI tools when released in Autumn
Board to ensure that it is providing excellence in governance	Review and report on individual governor performance and collective skills
	Review and report on Corporation and Committee performance (e.g. meeting Terms of Reference/compliance against the Code)
	Annual governor self-assessment process
	New Information Technology and Digital Success Strategies to be implemented Autumn 2025
	Review/update C&Q KPIs for 2025/26
	Consider additional separate KPIs for High Needs students?
	Consider NEET specific reports for 2025/26 – Board or C&Q
	Drawing out specific offsite provision (ie Job Smart or equivalent) in reports
	Amend C&Q Terms of Reference to reflect Annual Safeguarding & Prevent Report goes directly to the Board
Review progress of Governor Development Plan	

Early in 2024, IEG Board and UCP Council agreed to streamline the governance structure of UCP by removing the separate UCP Audit Committee and UCP Governance & Nominations Committee which were felt to be excessive for an organisation of this size and also weighed heavy in terms of the administrative burden. These changes were implemented in 2024/25.

The Corporation carried out a self-assessment performance of its own performance for the year ended 31 July 2025 and graded itself as Good on the Ofsted scale.

Search, Governance and Remuneration Committee (to March 2025)

For the beginning of the financial year 2024/25 the Group's Search, Governance & Remuneration Committee comprised five members of the Corporation.

Search, Governance and Remuneration Committee (from March – July 2025)

Following UCP Council and Board approval in March 2025, membership of the Group's Search, Governance & Remuneration Committee was extended to six members of the Corporation, to include the UCP Council Chair.

Search & Governance Committee (from July 2025)

In July 2025, responding to the recommendations of good practice arising from the FEC Weston College Report whereby the Chair of the Corporation should not chair the Remuneration Committee, the Board approved the split of the Search & Governance Committee from the Remuneration Committee and approved revised terms of reference, splitting the responsibilities.

IEG Statement of Corporate Governance and Internal Control, contd.

The Search & Governance Committee's responsibilities include: overseeing, and monitoring the effectiveness of the Board; enhancing governance integrity and Board organisation, procedures and performance; assessing membership needs, in terms of skills, experience, and the potential to bring a diverse viewpoint and background to the Board; making recommendations for appointments including IEG Corporation/UCP Council members and co-opted members; and advising on appointments to subsidiary company Boards.

Remuneration Committee (from July 2025)

The Group's Remuneration Committee comprised five members of the Corporation.

The Committee's responsibilities relate to the Accounting Office and other senior post-holders and include considering, monitoring and advising the Corporation on: remuneration/annual pay awards; negotiation of the contracts; reporting on appraisals; conduct, composition, and procedures of any selection panel; and appointments.

The AOC's Colleges' Senior Post Holder Remuneration Code (Nov 2021) has been adopted by the IEG Corporation and pay recommendations fully assessed against the latest published guidance.

Details of senior postholder remuneration for the year ended 31 July 2025 are set out in note 8 to these financial statements.

Audit Committee

From 1 August 2024 to 25 March 2025, the Audit Committee comprised no fewer than 3 and not more than 7 Members of the Corporation (a majority of whom must be governors) but must not include the Chair of the Corporation, members of the Finance & Resources Committee or the Chief Executive Officer.

The IEG Corporation approved the recommendation of its Search, Governance & Remuneration Committee and the UCP Council that the two audit committees be merged to form a joint Audit Committee. Under those new terms of reference, from 25 March 2025, the Audit Committee comprised at least 5 and not more than 10 members (a majority of whom must be governors) but must not include the Chair of the Corporation, members of the Finance & Resources Committee or the Chief Executive Officer. Three members of the Committee must be UCP Council members.

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

The IEG Audit Committee met three times during 2024/25, and the Joint IEG/UCP Audit Committee met one time during 2024/25.

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.

IEG Statement of Corporate Governance and Internal Control, contd.

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:

IEG Members

- Tony Keeling (Chair) (Attendance 4/4) (also a UCP member)
- Martin Ballard (Attendance 4/4)
- Gillian Beasley (Attendance 3/3) (resigned 22.05.25)
- Gemma Roger (Attendance 3/4)
- Qun Yang (Attendance 1/1) (resigned 18.11.24)

UCP Members

- Dr Alison Davies (Attendance 1/1)
- Peter Walker (Attendance 1/1)

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 Inspire Education Group and the funding body and the OFS registration conditions in relation to UCP. 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 2025 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

IEG Statement of Corporate Governance and Internal Control, contd.

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 2025 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.

The Group has an internal audit service, which operates in accordance with the requirements of the *College Auditor Framework and Guide*. The work of the internal audit service is informed by an analysis of the risks to which IEC 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 P24 of this document, the risks with the highest residual risk scores in 2024/25 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 College has reviewed its policies, procedures and approval processes in line with the requirements of the new College Financial Handbook to ensure there are systems in place to handle any transactions of which DfE approval is required in accordance with the financial Handbook in 2024, which has the effective date of 1 August 2024.

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 2024/25 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 in their management letters and other reports
- The regularity self-assessment questionnaire

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 Statement of Corporate Governance and Internal Control, 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 2025 meeting, the corporation carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2025.

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 11 December 2025 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 of the corporation of Inspire Education Group I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the college's accountability agreement with DfE, and the requirements of College Financial Handbook. I have also considered my responsibility to notify the corporation's board of governors and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding.

I confirm that I, and the board of governors are able to identify any material irregular or improper use of all funds by the Corporation, or material non-compliance with the framework of authorities.

I confirm that no instances of material irregularity, impropriety or non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Governors and DfE.



Rachel Nicholls
Chief Executive and Accounting Officer
11 December 2025

Statement of Responsibilities of the Members of the Corporation

The members of the Corporation who act as trustees for the charitable activities of the College are required to present audited financial statements for each financial year.

The law applicable to charities in England and the terms and conditions of the college's accountability agreement, funding agreements and contracts with Department for Education (DfE) and any other relevant funding bodies, the corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the College for that period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, DfE's College Accounts Direction, and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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 College 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 Corporation, and enable it to ensure that the financial statements are prepared in accordance with the Further and Higher Education Act 1992, the Charities Act 2011 and relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard its assets and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the College website is the responsibility of the Corporation of the College; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the 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 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 DfE, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities set out in the College Financial Handbook. On behalf of the corporation, the chair of the board of governors is responsible for discussing the accounting officer's statement of regularity, propriety and compliance with the accounting officer.

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 DfE and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 11 December 2025 and signed on its behalf by:



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 2025 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 Department for Education.

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 2025 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 Department for Education.

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 Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by the Department for Education 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 43 to 44 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 and component auditors:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and College operates in and how the group and college are complying with the legal and regulatory frameworks;
- 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 Department for Education 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 inspecting any correspondence with local tax authorities and evaluating any advice received from external tax advisors.

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 and 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 test of detail 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 Accountability Agreement published by the Department for Education and our engagement letter dated 6 October 2025. 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
1st Floor, Platinum Building
St John's Innovation Park
Cowley Road
Cambridge
CB4 0DS

19 December 2025

Inspire Education Group
Consolidated and College Statements of Comprehensive Income

	Notes	Year ended 31 July		Year ended 31 July	
		2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
INCOME					
Funding body grants	2	50,391	49,320	43,942	43,176
Tuition fees and education contracts	3	5,486	3,079	7,758	4,047
Other grants and contracts	4	-	-	-	-
Other income	5	3,639	6,222	2,985	5,448
Endowment and investment income	6	199	164	316	287
Donations	7	-	-	-	-
Total income		59,715	58,785	55,001	52,958
EXPENDITURE					
Staff costs	8	39,773	39,773	35,749	35,738
Other operating expenses	9	15,047	14,283	15,588	13,706
Depreciation & Amortisation	14 & 15	3,334	3,229	3,045	3,007
Interest and other finance costs	12	173	173	36	36
Total expenditure		58,327	57,459	54,418	52,487
Surplus before other gains and losses		1,388	1,326	583	471
Gain on disposal of assets		-	-	-	-
Exceptional Loss		-	-	-	-
Surplus before tax		1,388	1,326	583	471
Taxation	13	-	-	-	-
Surplus for the year		1,388	1,326	583	471
Remeasurement of net defined benefit pension schemes		(378)	(378)	(279)	(279)
Other comprehensive income		(378)	(378)	(279)	(279)
Total comprehensive income for the year		1,010	948	304	192

The accompanying notes on pages 54 to 84 form part of the financial statements

Inspire Education Group
Consolidated and College Balance sheets as at 31 July 2025

	Notes	Group	College	Group	College
		2025	2025	2024	2024
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets	15	66,029	65,499	56,547	56,268
Intangible assets	14	181	181	128	128
		66,210	65,680	56,675	56,396
Current assets					
Stocks		57	57	56	56
Trade and other receivables	17	3,331	3,172	3,854	3,812
Investments	18	556	556	1,992	1,992
Cash and cash equivalents		7,350	6,593	10,436	9,803
		11,294	10,378	16,338	15,663
Less: Creditors – amounts falling due within one year	19	(7,782)	(7,110)	(6,784)	(6,647)
Net current assets		3,512	3,268	9,554	9,016
Total assets less current liabilities		69,722	68,948	66,229	65,412
Less: Creditors – amounts falling due after more than one year	20	(26,852)	(26,446)	(24,375)	(23,864)
Provisions					
Defined benefit obligations	27	(32)	(32)	-	-
Other provisions	22	(555)	(555)	(581)	(581)
Total net assets		42,283	41,915	41,273	40,967
Restricted reserves					
Income and expenditure reserve - restricted reserve		5	5	5	5
Unrestricted reserves					
Income and expenditure account		34,769	34,400	33,663	33,356
Revaluation reserve		7,394	7,395	7,490	7,491
Capital reserves		115	115	115	115
Total unrestricted reserves		42,278	41,909	41,268	40,962
Total reserves		42,283	41,915	41,273	40,967

The financial statements on pages 54 to 84 were approved and authorised for issue by the Corporation on 11th December 2025 and were signed on its behalf on that date by:



David Pennell
Chair of the Corporation



Rachel Nicholls
Chief Executive and 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
Group					
Balance at 1st August 2023	33,263	7,586	5	115	40,969
Deficit from the income and expenditure account	583	-	-	-	583
Other comprehensive income	(279)	-	-	-	(279)
Transfers between revaluation and income and expenditure reserves	96	(96)	-	-	-
	400	(96)	-	-	304
Balance at 31st July 2024	33,663	7,490	5	115	41,273
Surplus from the income and expenditure account	1,388	-	-	-	1,388
Other comprehensive income	(378)	-	-	-	(378)
Transfers between revaluation and income and expenditure reserves	96	(96)	-	-	-
Total comprehensive income for the year	1,106	(96)	-	-	1,010
Balance at 31st July 2025	34,769	7,394	5	115	42,283
College					
Balance at 1st August 2023	33,068	7,587	5	115	40,775
Deficit from the income and expenditure account	471	-	-	-	471
Other comprehensive income	(279)	-	-	-	(279)
Transfers between revaluation and income and expenditure reserves	96	(96)	-	-	-
	288	(96)	-	-	192
Balance at 31st July 2024	33,356	7,491	5	115	40,967
Surplus from the income and expenditure account	1,326	-	-	-	1,326
Other comprehensive income	(378)	-	-	-	(378)
Transfers between revaluation and income and expenditure reserves	96	(96)	-	-	-
Total comprehensive income for the year	1,044	(96)	-	-	948
Balance at 31st July 2025	34,400	7,395	5	115	41,915

The accompanying notes on pages 54 to 84 form part of the financial statements

Inspire Education Group
Consolidated Statement of Cash Flows

	Notes	2025 £'000	2024 £'000
Cash inflow from operating activities			
Surplus for the year		1,388	583
Adjustment for:			
Depreciation	15	3,272	3,009
Amortisation	14	62	36
Loss on disposal of fixed assets		17	-
Investment income (Interest Received)	6	(199)	(316)
Increase/(decrease) in Provisions	22	(26)	(13)
Interest payable	12	173	36
Pensions costs	27	(315)	(269)
Operating Cashflow before movement in Working Capital		4,372	3,066
(Increase)/decrease in stocks		(1)	(1)
(Increase)/decrease in debtors		523	(856)
Increase/(decrease) in creditors		516	(999)
Capital Grant Release	2	(1,044)	(775)
Cash Generated from Operations		4,366	435
Taxation paid		-	-
Net cash inflow/(outflow) from operating activities		4,366	435
Cash flows from investing activities			
Capital Investment Grant		3,109	6,564
Investment income	6	199	143
Deposit from Investments		1,500	-
Payments made to acquire fixed assets		(13,040)	(9,924)
		(8,232)	(3,217)
Cash flows from financing activities			
Proceeds from new borrowing		1,331	4,168
Interest paid	12	(138)	(6)
Repayments of amounts borrowed	21	(413)	(549)
		780	3,613
(Decrease)/Increase in cash and cash equivalents in the year		(3,086)	830
Cash and cash equivalents at beginning of the year	23	10,436	9,606
Cash and cash equivalents at end of the year	23	7,350	10,436

The accompanying notes on pages 54 to 84 form part of the financial statements

Inspire Education Group
College Statement of Cash Flows

	Notes	2025 £'000	2024 £'000
Cash inflow from operating activities			
Surplus for the year		1,326	471
Adjustment for:			
Depreciation	15	3,167	2,971
Amortisation	14	62	36
Loss on disposal of fixed assets		17	-
Investment income and Interest Received	6	(164)	(287)
Increase/(decrease) in Provisions	22	(26)	(13)
Interest payable	12	173	36
Pensions costs	27	(315)	(269)
Operating Cashflow before movement in Working Capital		4,240	2,945
(Increase)/decrease in stocks		(1)	(1)
(Increase)/decrease in debtors		640	1,559
Increase/(decrease) in creditors		44	(415)
Capital Grant Release	2	(945)	(741)
Cash Generated from Operations		3,978	3,347
Taxation paid		-	-
Net cash inflow from operating activities		3,978	3,347
Cash flows from investing activities			
Capital Investment Grant		3,059	6,059
Investment income	6	157	114
Deposit from Investments		1,500	-
Payments made to acquire fixed assets		(12,685)	(9,721)
		(7,969)	(3,548)
Cash flows from financing activities			
Proceeds from new borrowing		1,331	4,168
Interest paid	12	(138)	(6)
Repayments of amounts borrowed	21	(413)	(549)
		780	3,612
(Decrease)/Increase in cash and cash equivalents in the year		(3,210)	3,412
Cash and cash equivalents at beginning of the year	23	9,803	6,391
Cash and cash equivalents at end of the year	23	6,593	9,803

The accompanying notes on pages 54 to 84 form part of the financial statements

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 2024 to 2025*, 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 2025.

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.

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 Skills Funding ('ASF') grant funding income recognised is a best estimate of the amount receivable in accordance with the annual main funding guidance published by the DfE and either determined as part of the reconciliation process or by separate agreement between the college and the DfE at the reporting period end date. Any subsequent agreement to determination of the ASF 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 DfE 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.

1. Accounting policies (continued).

Retirement benefits

Retirement benefits to employees of the Group are principally provided by Teachers' Pensions Scheme (TPS) and the Local Government Pension Scheme (LGPS), which are multi-employer defined benefit plans.

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the Group in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of valuations using a projected unit method. The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charged to the statement of comprehensive income being the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability/asset is charged to comprehensive income and included within finance costs. Re-measurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

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.

Notes to the Financial Statements for the year ended 31 July 2025, contd

1. Accounting policies continued.

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.

Equipment

Equipment costing less than £5,000 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. 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

1. Accounting policies continued.

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.

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.

Notes to the Financial Statements for the year ended 31 July 2025, contd

1. Accounting policies continued.

Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31st 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.

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 2024/25 equalled to £0.147M at a rate of 5.6% (2024: £0.064M at a rate of 4.97% in November 23, increasing to 5.6% in 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 and Further Education Free Meals 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.

1. Accounting policies continued.

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.

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

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.

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 2025. 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.

Notes to the Accounts (continued)

2 Funding body grants

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Recurrent grants				
Department for Education – 16 -18	33,913	33,913	29,938	29,938
Department for Education - Adult	1,861	1,861	1,590	1,590
Cambridge & Peterborough Combined Authority - Adult	2,903	2,903	3,086	3,086
Office for Students - Higher Education	875	-	531	-
Department for Education - Apprenticeships	3,017	3,017	3,230	3,230
Specific Grants				
Teachers Pension Contribution Grant	1,447	1,447	1,057	1,057
Post 16 National Insurance Grant	257	257	-	-
Releases of Government Capital Grants	1,044	945	775	741
High Needs Level 2 Funding	2,424	2,424	2,307	2,307
Department for Education - <i>T Levels, Tuition Fund & Maths Centre of Excellence</i>	2,553	2,553	1,227	1,227
Skills Injection Fund	97	-	201	-
Total	50,391	49,320	43,942	43,176

3 Tuition fees and education contracts

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Adult Education Fees	446	446	493	493
Apprenticeship Fees and Contracts	(55)	(55)	109	109
Fees for FE Loan Supported Courses	174	174	452	452
Fees for HE Loan Supported Courses	2,407	-	3,722	11
Total Tuition Fees	2,972	565	4,776	1,065
Education Contracts	2,514	2,514	2,982	2,982
Total	5,486	3,079	7,758	4,047

4 Other grants and contracts

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
Other grants and contracts	-	-	-	-
Total	-	-	-	-

Notes to the Accounts (continued)

5 Other income

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Catering	1,204	1,204	1,050	1,050
Other income generating activities	817	817	618	629
Transport	1,071	1,071	873	873
Miscellaneous income	547	3,130	444	2,896
Total	3,639	6,222	2,985	5,448

6 Investment income

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other interest receivable	192	157	309	280
Net return on pension scheme (note 27)	7	7	7	7
Total	199	164	316	287

7 Donations - Group and College

	Year ended 31 July	
	2025	2024
	£'000	£'000
Donated Assets - Other	-	-
Total	-	-

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:

	Group	College	Group	College
	2025	2025	2024	2024
	No.	No.	No.	No.
Teaching staff	607	571	591	577
Non teaching staff	357	340	356	342
	964	911	947	919
Staff costs for the above				
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Wages and salaries	26,859	26,859	24,443	24,443
Social security costs	2,768	2,768	2,236	2,236
Other pension costs	5,727	5,727	4,961	4,961
Apprenticeship Levy	116	116	112	112
Payroll sub total	35,470	35,470	31,752	31,752
Contracted out staffing services	4,018	4,018	3,966	3,955
	39,488	39,488	35,718	35,707
Restructuring Costs				
Contractual	261	261	31	31
Non Contractual	24	24	-	-
	39,773	39,773	35,749	35,738

Severance Payments

The Group and College paid 7 severance payments in the year totalling £23,776 disclosed in the following bands. Individually the payments were; £420,£420, £420, £600, £2,954, £6,000 & £12,961.

£0 - £25,000	7
£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, Chief Operating Officer and Chief Curriculum Officer were in post for the whole year.

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

	2025	2024
	No.	No.
The number of key management personnel including the Accounting Officer and CEO was:	<u>4</u>	<u>4</u>

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:

	2025	2024
	No.	No.
£60,001 to £65,000	18	15
£65,001 to £70,000	2	1
£80,001 to £85,000	-	1
£85,001 to £90,000	2	-
£90,001 to £95,000	1	2
£110,001 to £115,000	-	3
£115,001 to £120,000	2	-
£120,001 to £125,000	1	-
£170,001 to £175,000	-	1
£180,001 to £185,000	1	-
	<u>27</u>	<u>23</u>

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:

	2025 £'000	2024 £'000
Salaries	523	450
Employers National Insurance contributions	70	57
Benefits in kind	4	4
Pension contributions paid	133	106
Total key management personnel compensation	730	617

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:

	2025 £'000	2024 £'000
Salaries	179	170
Benefits in kind	1	1
Pension Contributions	51	43
Total	231	214

The Governing Body has the College Senior Pay Survey 2023, published May 2024 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

	2025	2024
CEO's basic salary as a multiple of the median of all staff	6.10	5.78
CEO's total remuneration as a multiple of the median of all staff	6.15	6.16

Compensation for loss of office paid to former higher paid staff

	2025	2024
Compensation paid to the former post-holders	34,531	-
Estimated value of other benefits, including provisions for pension benefits	84,571	-
	<u>119,102</u>	<u>-</u>

There were two key staff members who received compensation for loss of office. The compensation payment was non contractual and the amount does not include any PILON, the provision for pension benefits was contractual. For one of the higher paid staff, the compensation payment of £21,570 and pension benefit was part of a department restructure. The second payment was made to a Senior Postholder whose payment was approved by the IEG Corporation during an extraordinary meeting held on 4 March 2025.

Governor's remuneration

The CEO and Accounting Officer and the staff members only receive remuneration in respect of services they provide undertaking their roles of CEO 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 the Senior Management Team came to the value of £1,887 (2024: £1,715), there was one Governor expense of £13 re-claimed in the period (2024: NIL)

Notes to the Accounts (continued)

9 Other operating expenses

	Year ended 31 July		Year ended 31 July	
	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Teaching costs	7,155	6,547	7,000	6,361
Non teaching costs	5,344	5,286	5,965	4,827
Premises costs	2,548	2,450	2,623	2,518
Total	15,047	14,283	15,588	13,706

Other operating expenses include:

	2025 £'000	2024 £'000
Auditors' remuneration:		
Fees payable to RSM UK LLP in respect of:		
- Audit of College & Group	90	82
- Audit of Subsidiaries	13	13
- Other Assurance Services	5	5
Internal audit	54	32
Hire of assets under operating leases	29	29

10 Access and participation expenditure

Group	2025 £'000	2024 £'000
Access investment	113	93
Financial support provided to students	66	118
Support for disabled students	36	50
Research and evaluation related to access and participation	46	36
Total access and participation expenditure	261	297

College	2025 £'000	2024 £'000
Access investment	-	-
Financial support provided to students	-	-
Support for disabled students	-	-
Research and evaluation related to access and participation	-	-
Total access and participation expenditure	-	-

Notes to the Accounts (continued)

11 Write offs, losses, guarantees, letters of comfort, compensation

Total write off and losses in the year totalled £88,844 There were four amounts that exceeded £5,000 that needed writing off subject to Board approval. These were for the values £7,395, £7,750, £7,750 & £7,750

Reason for Write off	£
External debt recovery exhausted all avenues for recovery	64,708
Small balance debt recovery exhausted all avenues for recovery	16,171
Declared Bankrupt / Liquidation	4,200
Other	3,765
	88,844

Notes to the Accounts (continued)

12 Interest payable - Group and College	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
On bank loans and other loans	283	283	70	70
Amount Capitalised	(145)	(145)	(64)	(64)
Charged to income and expenditure	138	138	6	6
Net interest on Enhanced Pension Provision	28	28	30	30
Net interest on defined pension liability (note 27)	7	7	-	-
Total	173	173	36	36

13 Taxation - Group only

	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
UK Corporation Tax	-	-	-	-
Total	-	-	-	-

The members do not believe that the College was liable for any corporation tax arising out of its activities during either year

Notes to the Accounts (continued)

14 Intangible fixed assets (Group)

	Goodwill	Software	Total
	£'000	£'000	£'000
Cost			
At 1 August 2024	402	385	787
Transfer from Tangible Fixed Assets	-	96	96
Additions	-	19	19
At 31 July 2025	402	500	902
Amortisations			
At 1 August 2024	402	257	659
Transfer from Tangible Fixed Assets	-	-	-
Charge for the year	-	62	62
At 31 July 2025	402	319	721
Net book value at 31 July 2025	-	181	181
Net book value at 31 July 2024	-	128	128

14 Intangible fixed assets (College)

	Software	Total
	£'000	£'000
Cost		
At 1 August 2024	385	385
Transfer from Tangible Fixed Assets	96	96
Additions	19	19
At 31 July 2025	500	500
Amortisations		
At 1 August 2024	257	257
Transfer from Tangible Fixed Assets	-	-
Charge for the year	62	62
At 31 July 2025	319	319
Net book value at 31 July 2025	181	181
Net book value at 31 July 2024	128	128

Notes to the Accounts (continued)

15 Tangible fixed assets (Group)

	Land and Buildings		Equipment	Assets in the Course of Construction	Total
	Freehold	Long Leasehold			
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2024	67,373	639	14,155	7,917	90,084
Additions	-	-	3,346	9,523	12,869
Transfers	15,453	-	1,273	(16,726)	-
Reclassification to Intangibles				(96)	(96)
Disposals	(5)	-	(13)	-	(18)
At 31 July 2025	82,821	639	18,761	618	102,839
Depreciation					
At 1 August 2024	24,259	639	8,639	-	33,537
Charge for the year	1,617	-	1,656	-	3,273
Elimination in respect of disposals	(1)	-	-	-	(1)
At 31 July 2025	25,875	639	10,295	-	36,809
Net book value at 31 July 2025	56,946	-	8,466	618	66,030
Net book value at 31 July 2024	43,114	-	5,516	7,917	56,547

15 Tangible fixed assets (College)

	Land and Buildings		Equipment	Assets in the Course of Construction	Total
	Freehold	Long Leasehold			
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2024	67,295	639	13,742	7,917	89,593
Additions	-	-	2,990	9,523	12,513
Transfers	15,453	-	1,273	(16,726)	-
Reclassification to Intangibles				(96)	(96)
Disposals	(5)	-	(13)	-	(18)
At 31 July 2025	82,743	639	17,992	618	101,992
Depreciation					
At 1 August 2024	24,183	639	8,503	-	33,325
Charge for the year	1,617	-	1,551	-	3,168
Elimination in respect of disposals	(1)	-	-	-	(1)
At 31 July 2025	25,799	639	10,054	-	36,492
Net book value at 31 July 2025	56,944	-	7,938	618	65,500
Net book value at 31 July 2024	43,112	-	5,239	7,917	56,268

Notes to the Accounts (continued)

16 Non Current Investments - college

	College 2025 £'000	College 2024 £'000
Investments in subsidiary companies	-	-
Total	<u>-</u>	<u>-</u>

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.

The College also owns 100 per cent of University Centre Peterborough, a charitable company limited by guarantee. The principal activity is the provision of higher education courses to students in Peterborough and Stamford

17 Trade and other receivables

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Amounts falling due within one year:				
Trade receivables	1,014	988	1,086	1,086
Prepayments and accrued income	2,089	1,962	2,535	2,498
Other debtors	228	222	233	228
Total	<u>3,331</u>	<u>3,172</u>	<u>3,854</u>	<u>3,812</u>

18 Current investments

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Short term deposits	556	556	1,992	1,992
Total	<u>556</u>	<u>556</u>	<u>1,992</u>	<u>1,992</u>

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

Notes to the Accounts (continued)

19 Creditors: amounts falling due within

	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
DfE Loan	564	564	413	413
Trade payables	1,181	973	1,495	1,248
Amounts owed to subsidiary undertakings	-	39	-	712
Other taxation and social security	1,364	1,287	880	842
Accruals and deferred income	2,086	1,800	1,541	1,076
Holiday pay accrual	527	527	384	384
Deferred income - government capital grants	1,166	1,057	811	757
Deferred income - revenue grants	-	-	5	5
Other creditors	894	863	1,255	1,210
Total	<u>7,782</u>	<u>7,110</u>	<u>6,784</u>	<u>6,647</u>

20 Creditors: amounts falling due after one

	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
DfE Loan	4,533	4,533	3,765	3,765
Deferred income - government capital grants	22,319	21,913	20,610	20,099
Total	<u>26,852</u>	<u>26,446</u>	<u>24,375</u>	<u>23,864</u>

21 Maturity of debt

Loans

	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Loans are repayable as follows:				
In one year or less	564	564	413	413
Between one and two years	560	560	550	550
Between two and five years	1,680	1,680	1,650	1,650
In five years or more	2,293	2,293	1,564	1,564
Total	<u>5,097</u>	<u>5,097</u>	<u>4,177</u>	<u>4,177</u>

Notes to the Accounts (continued)

22 Provisions

Group and College

	Defined benefit Obligations £'000	Enhanced pensions £'000	Total £'000
At 1 August 2024	-	581	581
Utilised in the year	-	(75)	(75)
Unwinding of discount	-	21	21
Other comprehensive movements	32	28	60
At 31 July 2025	32	555	587

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:

	2025	2024
Price inflation	2.70%	2.80%
Discount Rate	5.50%	4.80%

23 Analysis of changes in net debt

Group	At 1 August 2024 £'000	Cash flows £'000	Other changes £'000	At 31 July 2025 £'000
Cash and cash equivalents	10,436	(3,086)	-	7,350
	10,436	(3,086)	-	7,350
Bank Loan: Due within 1 year	-	-	-	-
DfE: Due within 1 year	(413)	(151)	-	(564)
DfE: Due after 1 year	(3,765)	(768)	-	(4,533)
Investments	1,992	(1,436)	-	556
Total net funds	8,250	(5,441)	-	2,808
College	At 1 August 2024 £'000	Cash flows £'000	Other changes £'000	At 31 July 2025 £'000
Cash and cash equivalents	9,803	(3,210)	-	6,593
	9,803	(3,210)	-	6,593
Bank Loan: Due within 1 year	-	-	-	-
DfE: Due within 1 year	(413)	(151)	-	(564)
DfE: Due after 1 year	(3,765)	(768)	-	(4,533)
Investments	1,992	(1,436)	-	556
Total net funds	7,617	(5,565)	-	2,051

Notes to the Accounts (continued)

24 Capital commitments

	Group and College	
	2025	2024
	£'000	£'000
Amounts contracted for the following projects:-		
Centre for Green Technology	-	5,798
DFE Refurbishment Plan	-	74
Commitments contracted for at 31 July 2025	<u>-</u>	<u>5,872</u>

25 Lease Obligations

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

	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Future minimum lease payments due				
Not later than one year	217	217	99	99
Later than one year and not later than five years	196	196	164	164
later than five years	995	995	909	909
	<u>1,408</u>	<u>1,408</u>	<u>1,172</u>	<u>1,172</u>

26 Contingent liabilities

There are currently no contingent liabilities.

Notes to the Accounts (continued)

27 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 £641K (2024 £618k) were payable to the scheme at 31 July and are included within creditors.

Total pension cost for the year	2025	2024
	£'000	£'000
Teachers Pension Scheme: contributions paid	3,437	2,776
Local Government Pension Scheme:		
Contributions paid	2,553	2,378
FRS 102 (28) charge	<u>(315)</u>	<u>(269)</u>
Charge to the Statement of Comprehensive Income	2,238	2,109
Other defined contribution Pension Schemes	52	76
Total Pension Cost for Year	<u>5,727</u>	<u>4,961</u>

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 2025.

Notes to the Accounts (continued)

27 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 2024-25 academic year, and currently through to July 2026. The pension costs paid to TPS in the year amounted to £3.800M (2024: £2.776M).

Notes to the Accounts (continued)

27 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 2025 were £3,290K, of which employer's contributions totalled £2,553K and employees' contributions totalled £737K. The agreed contribution rates for future years are 18.6% and then 17.6% 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 2025 by Hymans Robertson.

Notes to the Accounts (continued)

27 Defined benefit obligations continued

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2025 by a qualified independent actuary

	At 31 July 2025	At 31 July 2024
Rate of increase in salaries	3.25%	3.25%
Future pensions increases	2.75%	2.75%
Discount rate for scheme liabilities	5.80%	5.00%
Inflation assumption (CPI)	2.75%	2.75%
Commutation of pensions to lump sums	51%	25%

The assumed life expectations on retirement age 65 are:

	At 31 July 2025 years	At 31 July 2024 years
<i>Retiring today</i>		
Males	20.70	20.50
Females	24.10	24.10
<i>Retiring in 20 years</i>		
Males	21.20	21.00
Females	25.30	25.30

27 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:

		Fair Value at 31 July 2025		Fair Value at 31 July 2024
		£'000		£'000
Equities	59%	46,475	57%	41,690
Bonds	23%	18,117	24%	17,554
Property	16%	12,603	17%	12,434
Cash	2%	1,575	2%	1,463
Total market value of assets		<u>78,770</u>		<u>73,141</u>
Actual return on plan		<u>4,054</u>		<u>6,418</u>

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

	2025 £'000	2024 £'000
Fair value of plan assets	78,770	73,141
Present value of plan liabilities	(50,569)	(55,257)
Present value of unfunded liabilities	(32)	(34)
Asset Ceiling Adjustment	(28,202)	(17,850)
Net pensions (liability)	<u>(33)</u>	<u>-</u>

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:

	2025 £'000	2024 £'000
Amounts included in staff costs		
Current service cost	(2,212)	(2,109)
Past service cost	(26)	-
Total	<u>(2,238)</u>	<u>(2,109)</u>
Amounts included in expenditure - Interest and other financing costs		
Net interest received / (expensed)	7	7
	<u>7</u>	<u>7</u>

Amounts recognised in Other Comprehensive Income

Return on pension plan assets	361	3,078
Movement in Asset Ceiling Adjustment	(9,460)	(3,835)
Changes in assumptions underlying the present value of plan liabilities	8,742	478
Amount recognised in Other Comprehensive Income	<u>(357)</u>	<u>(279)</u>

Notes to the Accounts (continued)

27 Defined benefit obligations (continued)

Local Government Pension Scheme (Continued)

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

	2025	2024
	£'000	£'000
Net defined benefit liability in scheme at 1 August	-	-
Movement in year:		
Current service cost	(2,212)	(2,109)
Employer contributions	2,553	2,378
Unfunded Benefits	3	3
Past service cost	(26)	-
Net interest on the defined liability	7	7
Actuarial (loss)	(357)	(279)
Net defined benefit liability at 31 July	(32)	-

Asset and Liability Reconciliation

	2025	2024
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	55,291	52,215
Current Service cost	2,212	2,109
Interest cost	2,794	2,659
Contributions by Scheme participants	737	652
Changes in financial assumptions	(8,742)	(478)
Estimated benefits paid	(1,717)	(1,866)
Past Service cost	26	-
Defined benefit obligations at end of period	50,601	55,291

Changes in fair value of plan assets

Fair value of plan assets at start of period	73,141	65,556
Interest on plan assets	3,693	3,340
Return on plan assets	361	3,078
Employer contributions	2,553	2,378
Contributions by Scheme participants	737	652
Estimated benefits paid	(1,714)	(1,863)
Fair value of plan assets at end of period	78,771	73,141

Notes to the Accounts (continued)

27 Defined benefit obligations (continued)

Inspire Education Group is aware that the Court of Appeal 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.

On the 5 June 2025, the Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written confirmation that historical benefit changes met the necessary standards. However, details of the legislation have not been announced and it's not clear how this interacts with the investigations made by the UK Government's Actuary's Department therefore the potential impact if any, on the valuation of scheme liabilities remains unknown.

Notes to the Accounts (continued)

28 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 2025

Name & Nature of interest	Organisation/Company and nature of relationship with IEG
David Pennell (IEG Chair & CEO Burghley House Preservation Trust)	Burghley House Preservation Trust - Landlord of Borderville Sports Centre Borderville Management Ltd Director QRS
Rachel Nicholls (CEO & UCP Council Member)	Director UCP Co-chair of Peterborough Citizens (unremunerated) Wife employed by IEG as teacher Director QRS Vice Chair of Towns Fund Board (unremunerated) Trustee of Peterborough Council for Voluntary Services (unremunerated)
Louise Perry (IEG CFO and Director of Subsidiaries)	Director QRS Director UCP Trustee of Peterborough Educational Trust
Marco Cereste (IEG Governor & PCC Councillor)	Cabinet Member, Peterborough City Council
Alison Davies (UCP Governor)	Employed by Open University
Les Ebdon (IEG Governor & Chair of UCP Council)	University Centre Peterborough Chair of Council Open University Honorary Duniv
Tony Keeling (UCP Governor)	Royal Air Force – current role Commandant RAF Air Cadets (retired September 2024) Trustee – RAF Aircraft Engineering Apprentice Trust (formerly RAF Halton Apprentice Trust)
Mark Woods (UCP Governor)	CEO of the Meridan Trust which includes business relationships with Greater Peterborough UTC, Thomas Deacon Academy and the Peterborough United Foundation
Vincent Brittain (IEG Governor & Inspire+ CEO)	Inspire+ is an IEG Subcontract partner

Notes to the Accounts (continued)

28 Related party transactions (continued)

The following transactions have taken place during the Financial Year ending 31st July 2025 between IEG and organisations in which there is a related party interest.

	2025	2024	2025	2024
	Expenditure	Expenditure	Income	Income
	£'000	£'000	£'000	£'000
QRS	4,354	3,989	4,354	3,989
UCP	291	73	2,623	2,411
Burghley House Preservation	18	15	-	-
Inspire+	283	316	1	1
Open University	345	268	-	-
Peterborough Citizens	6	-	-	-
Peterborough City Council	111	110	1,320	3,256
Greater Peterborough UTC	-	-	13	1
Thomas Deacon Academy	-	-	11	35
	Amounts	Amounts	Amounts	Amounts
	Owing at 31	Owing at 31	Owed at 31	Owed at 31
	July 2025	July 2024	July 2025	July 2024
	£'000	£'000	£'000	£'000
	£'000	£'000	£'000	£'000
QRS	165	148	-	-
UCP	2	-	-	564
Inspire+	-	32	-	1
Peterborough City Council	71	66	371	306
Greater Peterborough UTC	-	-	-	1
Thomas Deacon Academy	-	-	1	12

Notes to the Accounts (continued)

29 Amounts disbursed as agent

Learner support funds (Group)

	2025			2024	
	16-19 Bursary £'000	FEFM £'000	Other £'000	Total £'000	Total
Unspent Funding at 1 August	911	207	29	1147	1424
Funding Received	1054	448	83	1585	1294
Disbursed Funds	(1,538)	(478)	(83)	(2,099)	(1,496)
Repaid to DfE	427	177	29	633	1222
Administration Costs	(78)	(26)		(104)	(75)
Balance Unspent at 31 July (included in creditors)	350	151	29	530	1,147

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.

The college distributes 16-19 discretionary and vulnerable bursaries and free meals in further education (FEFM) funds to students as an agent for DfE.

30 Events after the reporting period

Property lease signed for "The Bridge" to deliver work associated with the NEET provision

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF INSPIRE EDUCATION GROUP AND THE SECRETARY OF STATE FOR EDUCATION

Conclusion

We have carried out an engagement, in accordance with the terms of our engagement letter dated 6 October 2025 and further to the requirements of the Department for Education (the "DfE") as included in the Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by the DfE, to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Inspire Education Group during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes intended by Parliament or the financial transactions do not 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 2024 to 31 July 2025 has not been applied for the purposes intended by Parliament or that 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 Framework and Guide for External Auditors and Reporting Accountants of Colleges 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 the accounting officer of Inspire Education Group and Corporation

The accounting officer is responsible, under the requirements of the corporation's accountability agreement with the Secretary of State for Education and the College Financial Handbook for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Corporation of Inspire Education Group (who are also the trustees for the purposes of charity law) are responsible for the proper conduct and financial operation of Inspire Education Group and appointment of the accounting officer.

Responsibilities of the reporting accountant

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 Framework and Guide for External Auditors and Reporting Accountants of Colleges.

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 2024 to 31 July 2025 have not been applied for the 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 College Financial Handbook, the accountability agreement with the Secretary of State for Education and those of any other public funder and high level financial control areas where we identified a material irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise or potential impropriety, where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Tests and evidence to support conclusion on regularity' guidance in the Framework and Guide for External Auditors and Reporting Accountants of Colleges.

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 1 August 2024 to 31 July 2025 and the Secretary of State for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the 1 August 2024 to 31 July 2025 and the Secretary of State for Education 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 1 August 2024 to 31 July 2025 and the Secretary of State for Education 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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19 December 2025