

Company Registration No. 06112716 (England and Wales)

UNIVERSITY CENTRE PETERBOROUGH
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2021

UNIVERSITY CENTRE PETERBOROUGH

COMPANY INFORMATION

Directors

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

Secretary

R O Devereux

Company number

06112716

Registered office

Park Crescent
Peterborough
Cambridgeshire
PE1 4DZ

Auditor

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

UNIVERSITY CENTRE PETERBOROUGH

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2021

The directors present their annual report and financial statements for the year ended 31 July 2021.

Principal activities

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

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

From 1 August 2020 UCP became the higher education arm of the new group, encompassing delivery at Peterborough and Stamford and absorbing the franchise agreements in place with partners ESPA and ADDICT. The transfer of provision to UCP has been undertaken in accordance with OfS requirements.

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

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

Public Benefit

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

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

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

UCP recruits its students from what is widely considered a higher education “cold spot”. The 2020/21 Access and Participation Plan clearly identifies under-represented groups and the strategies used to engage with them. A combination of financial bursaries and targeted strategies ensure that all stages of the student life cycle are addressed. UCP is also part of the national OfS Challenge Fund which is seeking to enhance graduate employability within SMEs and satisfy local industry skills needs.

Principle 2:

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

During their studies, students at UCP are encouraged to engage with the local community and bring much needed income to the local economy. There are effective links with the voluntary sector and students and staff have participated in a number of research projects for the Citizens Advice Bureau and Integrated Communities initiative. This has resulted in successful engagement with Citizens UK and the launch of the community organising initiative in Peterborough and Cambridgeshire. Numerous outreach initiatives ensure UCP works closely with schools and colleges and it remains an advocate and centre for the Children's University. However, COVID has impacted some of our outreach delivery methods and although virtual activities were provided, we have not had the same level of engagement as previous years.

UNIVERSITY CENTRE PETERBOROUGH

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Summary of overall performance

| KPI | 2019/20 | 2020/21 | 2023 Strategy |
|---|---|---------|---------------|
| Retention | 91% | 93% | 95% |
| Progression (L4 – L5) | 88% | 88% | 94% |
| Progression (L5 – L6) | 99% | 89% | 98% |
| Classification (Good or Better) | 79% | 83% | 72% |
| National Student Survey (NSS) Teaching and Learning (national benchmark 79.94%) | 89% | 85.36% | 90% |
| NSS Overall Student Satisfaction (national benchmark 75.41%) | 83.23% (Peterborough) 88.57% (Stamford) | 78.18% | 90% |
| HE Teaching Reviews | 92.3% | 100% | 95% |

Risk and Future Developments

The company has been developed to promote growth and development of Higher Education in Peterborough and Stamford. The risks to the company are considered to be modest due to the diversity of the courses provided by the Company and the history of student participation in locally delivered HE provision. Risk has been further mitigated by signing a validation agreement with the Open University. It is the intention to move all provision previously accredited by ARU, over to the Open University by 2022/23. During 2020/21, ten courses were successfully validated and three are due to commence September 2021. The Office for Students (OfS) have been informed and a “teach out” agreement is currently in development. In addition, a interim desktop validation exercise was undertaken with Bishop Grosseteste University in September 2020 to provide assurance that UCP would ensure adherence to its quality standards and expectations as the previous agreement was with New College Stamford.

COVID was a key operational concern during 2020/21, though student numbers remained consistent through this period. Delivery methods were adapted, and funding was provided to students, some of which was met by the award of hardship funding from the OfS which was shared across Peterborough, Stamford and partners. Teaching moved online from December 2020 as were academic and pastoral support facilities. During this time the wellbeing of both students and staff were a key focus. In March 2021 some practical provision and that of partners was able to return to face-to-face delivery although some academic subjects remained online.

Results and dividends

The company made a surplus of £362K (2020: deficit of £67K) for the year as shown on page 8. This is a strong result for the first full academic year of trading, surplus funds will improve the sustainability of UCP by improving the cash holding to support growth and development, and be re-invested where possible to improve student experience.

Responsibility under funding agreements

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

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

UNIVERSITY CENTRE PETERBOROUGH

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

Directors

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

| | |
|----------------|---|
| S Aziz | (Appointed 26 November 2020) |
| C Bowes | |
| M A W Bradbury | |
| A Davies | |
| D S Dixon | (Appointed 26 November 2020) |
| L C Ebdon | |
| R Greensmith | |
| M Kiernan | |
| S C Martin | |
| J Meenaghan | (Resigned 10 November 2021) |
| R J Nicholls | |
| L A Perry | |
| P Walker | |
| M E Woods | |
| D Pye | (Appointed 6 January 2021 and resigned 5 June 2021) |

Auditor

RSM UK Audit LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

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

Small companies exemption

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

On behalf of the board



.....
R J Nicholls
Director

Date: ..23 December 2021.....

UNIVERSITY CENTRE PETERBOROUGH

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2021

This statement covers the period from 1 August 2020 to 31 July 2021 and up to the date of approval of the annual report and financial statements. The following statement is provided to enable readers of the annual report and accounts of the Group to obtain a better understanding of its governance and legal structure.

Responsibilities of the University Council and structure of corporate governance

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

- the UK Corporate Governance Code 2018 insofar as it is applicable to the higher education sector;
- the OfS Accounts Direction requirements;
- has due regard to the Charity Commission guidance on public benefit when exercising its powers and duties; and
- the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).

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

In response to the Code and in accordance with overall good governance, and the Council is committed to periodically review the role of the Council and its effectiveness, 2020/21 being its first full academic year.

In the opinion of the Council members, UCP has complied throughout the year ended 31 July 2021 with all of the codes detailed above.

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

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

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

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

UNIVERSITY CENTRE PETERBOROUGH

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Membership and meetings

In 2020/21 the Council of the University comprised of eight external members, one student member and one academic staff member, and three Inspire Education Group senior post holders, appointed in accordance with the University's articles.

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

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

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

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

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

Academic Board

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

The purpose of the Academic Board is to provide oversight of academic activity and related activities and the resources needed to support them. It has delegated responsibility from the UCP Council to monitor academic standards and the direction of academic matters in accordance with the UK higher education sector regulatory requirements. Validating partners will be assured of maintenance of their academic standards and quality.

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

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

UNIVERSITY CENTRE PETERBOROUGH

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Audit Committee

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

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

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

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

Appointments to the Council

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

The Council of the University comprises of no fewer than thirteen members, any new appointments to the Council are a matter for the consideration of the Council as a whole.

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

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

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

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

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

UNIVERSITY CENTRE PETERBOROUGH

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Internal control

Scope of responsibility

The Council is ultimately responsible for UCP's system of internal control and for reviewing its effectiveness.

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of UCP's policies, aims and objectives, to evaluate the likelihood of those risks being realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in UCP, for the year ended 31 July 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Council has reviewed the key risks to which UCP is exposed, together with the business, operating, financial and compliance controls that have been implemented to mitigate those risks. The Council is of the view that there is a formal ongoing process for identifying, evaluating and managing UCP's significant risks that has been in place for the period ended 31 July 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Council.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

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

Risk Management

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

- Failure to meet HE income targets
- Impact of Covid-19 on all operational areas, and the safety of students and staff
- Failure of sub-contracted provision to comply with regulatory and quality requirements
- UCP, as part of IEG, suffers an IT cyber security breach or technical failure
- Maintaining strong financial health and meeting strategic targets

UNIVERSITY CENTRE PETERBOROUGH

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

Internal Audit

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

Review of effectiveness

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

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

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

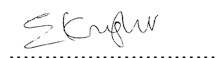
The senior management team and the Audit Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Council's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2021 meeting, the Council carried out the annual assessment for the year ended 31 July 2021 by considering documentation from the senior leadership team and internal audit.

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

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



R J Nicholls
Director



L Knight
Accountable Officer and Academic Director

Date: ..23 December 2021.....

UNIVERSITY CENTRE PETERBOROUGH

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 JULY 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for the safeguarding of public funds in accordance with Office for Students (OfS) registration conditions.

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

Opinion

We have audited the financial statements of University Centre Peterborough (the 'company') for the year ended 31 July 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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 audit engagement team:

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS102, the Companies Act 2006, Regulatory Advice 9: Accounts Direction published by the Office for Students' and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting any correspondence with tax authorities.

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

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Sutherland

Claire Sutherland (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk, IP33 3SB
31 January 2022

UNIVERSITY CENTRE PETERBOROUGH

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2021

| | | 2021 | 2020 |
|---|--------------|----------------|-----------------|
| | Notes | £ | £ |
| Income | 3 | 6,088,591 | 3,879,729 |
| Administrative expenses | | (5,727,033) | (3,949,001) |
| | | <hr/> | <hr/> |
| Operating surplus/(deficit) | 5 | 361,558 | (69,272) |
| Interest receivable and similar income | 6 | - | 2,430 |
| | | <hr/> | <hr/> |
| Surplus/(deficit) before taxation | | 361,558 | (66,842) |
| Tax on surplus/(deficit) | | - | - |
| | | <hr/> | <hr/> |
| Surplus/(deficit) for the financial year | | <u>361,558</u> | <u>(66,842)</u> |

UNIVERSITY CENTRE PETERBOROUGH

STATEMENT OF FINANCIAL POSITION

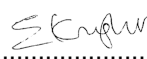
AS AT 31 JULY 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-------------|---------|-------------|----------|
| Fixed assets | | | | | |
| Tangible assets | 7 | | 75,456 | | 60,297 |
| Current assets | | | | | |
| Debtors | 8 | 1,140,932 | | 496,825 | |
| Cash at bank and in hand | | 4,440,867 | | 654,045 | |
| | | | | | |
| | | 5,581,799 | | 1,150,870 | |
| Creditors: amounts falling due within one year | 9 | (5,266,517) | | (1,181,987) | |
| Net current assets/(liabilities) | | | 315,282 | | (31,117) |
| Total assets less current liabilities | | | 390,738 | | 29,180 |
| Reserves | | | | | |
| Income and expenditure account | | | 390,738 | | 29,180 |
| Members' funds | | | 390,738 | | 29,180 |

The financial statements were approved by the board of directors and authorised for issue on 23 December 2021 and are signed on its behalf by:



R J Nicholls
Director



L Knight
Accountable Officer and Academic Director

UNIVERSITY CENTRE PETERBOROUGH

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2021

| | Income and expenditure £ |
|---|--------------------------------|
| Balance at 1 August 2019 | 96,022 |
| Year ended 31 July 2020: Loss and total comprehensive income for the year | (66,842) |
| Balance at 31 July 2020 | <u>29,180</u> |
| Year ended 31 July 2021: Profit and total comprehensive income for the year | 361,558 |
| Balance at 31 July 2021 | <u><u>390,738</u></u> |

UNIVERSITY CENTRE PETERBOROUGH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------|-----------|-----------|-----------|
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 12 | | 3,839,844 | | (367,092) |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (53,022) | | - | |
| Interest received | | - | | 2,430 | |
| Net cash (used in)/generated from investing activities | | | (53,022) | | 2,430 |
| Net increase/(decrease) in cash and cash equivalents | | | 3,786,822 | | (364,662) |
| Cash and cash equivalents at beginning of year | | | 654,045 | | 1,018,707 |
| Cash and cash equivalents at end of year | | | 4,440,867 | | 654,045 |

UNIVERSITY CENTRE PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

Company information

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

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006.

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

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

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Though the financial position post-covid is a challenging one, the Directors will revise the financial planning models based on the September 2021 enrolment numbers, and ensure costs are commensurate. Underpinning this is a financial guarantee for £500K from the ultimate parent organisation, Inspire Education Group. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due.

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

Tangible fixed assets

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

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

| | |
|-----------------------|-----------------------|
| Fixtures and fittings | 10 year straight line |
| Computers | 5 year straight line |

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

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

UNIVERSITY CENTRE PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies (Continued)

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

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

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

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

Basic financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, amounts due from fellow group companies, are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Taxation

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

UNIVERSITY CENTRE PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies (Continued)

Employee benefits

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

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

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

Government grants

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

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

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

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

UNIVERSITY CENTRE PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

3 Turnover and other revenue

| | 2021 | 2020 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Grant income from the OfS | 534,334 | 379,596 |
| Fee income for taught awards | 5,554,257 | 3,323,940 |
| Other income | - | 176,193 |
| | <u>6,088,591</u> | <u>3,879,729</u> |
| | 2021 | 2020 |
| | £ | £ |
| Other revenue | | |
| Interest income | - | 2,430 |
| | <u>-</u> | <u>2,430</u> |

4 Employees

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

| | 2021 | 2020 |
|---|------------------|------------------|
| | Number | Number |
| | 55 | 52 |
| | <u>55</u> | <u>52</u> |
| Their aggregate remuneration comprised: | | |
| | 2021 | 2020 |
| | £ | £ |
| Recharged salary costs | 1,973,623 | 1,972,754 |
| | <u>1,973,623</u> | <u>1,972,754</u> |

UNIVERSITY CENTRE PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

4 Employees (Continued)

No payments for compensation for loss of office were made in the year (2020: £nil).

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

The company also has 14 (2020: 14) non-executive directors not included in the number of staff breakdown above, the directors did not receive any payment from the company during the year.

Key management personnel

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

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

| | 2021 £ | 2020 £ |
|-----------------------|---------------|---------------|
| Wages and salaries | 54,110 | 53,588 |
| Social security costs | 6,252 | 6,195 |
| Pension costs | 12,813 | 12,367 |
| | <u>73,175</u> | <u>72,150</u> |

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

Relationship of Academic Director pay and remuneration expressed as a multiple

| | 2021 |
|---|------|
| Academic Director's basic salary as a multiple of the median of all staff | 3.42 |
| Academic Director's total remuneration as a multiple of the median of all staff | 3.42 |

5 Operating surplus/(deficit)

| | 2021 £ | 2020 £ |
|--|---------------|---------------|
| Operating surplus/(deficit) for the year is stated after charging: | | |
| Depreciation of owned tangible fixed assets | 37,863 | 35,709 |
| | <u>37,863</u> | <u>35,709</u> |

6 Interest receivable and similar income

| | 2021 £ | 2020 £ |
|---------------------------|-----------|--------------|
| Interest income | | |
| Interest on bank deposits | - | 2,430 |
| | <u>-</u> | <u>2,430</u> |

UNIVERSITY CENTRE PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

6 Interest receivable and similar income (Continued)

Investment income includes the following:

Interest on financial assets not measured at fair value through surplus or deficit

| | |
|-------------------|-------------------|
| - | 2,430 |
| <u> </u> | <u> </u> |

7 Tangible fixed assets

| | Fixtures and fittings £ | Computers £ | Total £ |
|------------------------------------|----------------------------|-------------------|-------------------|
| Cost | | | |
| At 1 August 2020 | 77,143 | 316,608 | 393,751 |
| Additions | 440 | 52,582 | 53,022 |
| | <u> </u> | <u> </u> | <u> </u> |
| At 31 July 2021 | 77,583 | 369,190 | 446,773 |
| | <u> </u> | <u> </u> | <u> </u> |
| Depreciation and impairment | | | |
| At 1 August 2020 | 60,717 | 272,737 | 333,454 |
| Depreciation charged in the year | 7,715 | 30,148 | 37,863 |
| | <u> </u> | <u> </u> | <u> </u> |
| At 31 July 2021 | 68,432 | 302,885 | 371,317 |
| | <u> </u> | <u> </u> | <u> </u> |
| Carrying amount | | | |
| At 31 July 2021 | 9,151 | 66,305 | 75,456 |
| | <u> </u> | <u> </u> | <u> </u> |
| At 31 July 2020 | 16,426 | 43,871 | 60,297 |
| | <u> </u> | <u> </u> | <u> </u> |

8 Debtors

| | 2021 £ | 2020 £ |
|---|-------------------|-------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 527,009 | 398,125 |
| Amounts owed by group undertakings | - | 4,083 |
| Other debtors | 613,923 | 94,617 |
| | <u> </u> | <u> </u> |
| | 1,140,932 | 496,825 |
| | <u> </u> | <u> </u> |

UNIVERSITY CENTRE PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

9 Creditors: amounts falling due within one year

| | Notes | 2021 £ | 2020 £ |
|------------------------------------|-------|------------------|------------------|
| Trade creditors | | 144,007 | 9,969 |
| Amounts owed to group undertakings | | 3,147,977 | 167,971 |
| Government grants | 10 | 393,207 | 2,265 |
| Other creditors | | 1,581,326 | 1,001,782 |
| | | <u>5,266,517</u> | <u>1,181,987</u> |

10 Government grants

| | 2021 £ | 2020 £ |
|--------------------------------|----------------|--------------|
| Arising from government grants | <u>393,207</u> | <u>2,265</u> |

11 Members' liability

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

12 Cash generated from/(absorbed by) operations

| | 2021 £ | 2020 £ |
|--|-------------------------|-------------------------|
| Surplus/(deficit) for the year after tax | 361,558 | (66,842) |
| Adjustments for: | | |
| Investment income | - | (2,430) |
| Depreciation and impairment of tangible fixed assets | 37,863 | 35,709 |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | (644,107) | 45,456 |
| Increase/(decrease) in creditors | 3,693,588 | (381,250) |
| Increase in deferred income | 390,942 | 2,265 |
| Cash generated from/(absorbed by) operations | <u><u>3,839,844</u></u> | <u><u>(367,092)</u></u> |

13 Analysis of changes in net funds

| | 1 August 2020 £ | Cash flows £ | 31 July 2021 £ |
|--------------------------|-----------------------|------------------|-------------------|
| Cash at bank and in hand | <u>654,045</u> | <u>3,786,822</u> | <u>4,440,867</u> |

UNIVERSITY CENTRE PETERBOROUGH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

14 Access and participation expenditure

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Access investment | 120,448 | 60,000 |
| Financial support provided to students | 240,334 | 190,361 |
| Support for disabled students | 30,275 | - |
| Research and evaluation related to access and participation | 48,789 | 13,000 |
| | <hr/> | <hr/> |
| Total access and participation expenditure | 439,846 | 263,361 |
| | <hr/> <hr/> | <hr/> <hr/> |

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

15 Ultimate controlling party

On 1 August 2020, Peterborough Regional College merged with New Stamford College to become Inspire Education Group. The Directors consider that the ultimate controlling party is Inspire Education Group

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

UNIVERSITY CENTRE PETERBOROUGH

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 JULY 2021

THE FOLLOWING PAGES DO NOT FORM PART OF THE FINANCIAL STATEMENTS

UNIVERSITY CENTRE PETERBOROUGH

DETAILED TRADING AND INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2021

| | 2021 | 2020 |
|---|-------------|-------------|
| | £ | £ |
| Income | 6,088,591 | 3,879,729 |
| Administrative expenses | | |
| Wages and salaries | 1,973,623 | 1,972,754 |
| Subcontract provision | 1,090,794 | - |
| Staff training and welfare | 5,176 | 4,265 |
| Management charge | 1,158,190 | 1,028,200 |
| Rent | 40,000 | 81,028 |
| Service charge payable | - | 10,660 |
| Rates | 17,877 | 15,567 |
| Academic costs | 770,179 | 180,923 |
| Power, light and heat | 39,435 | 40,626 |
| Property repairs and maintenance | 82,696 | 83,143 |
| Premises insurance | 5,002 | 4,821 |
| Computer running costs | 6,328 | 3,233 |
| Software costs | 18,898 | 34,660 |
| Hire of equipment | 356 | 4,400 |
| Catering | 273 | 1,831 |
| Cash bursaries | 270,609 | 259,125 |
| Accommodation, travel and subsistence | 6 | 1,966 |
| Professional subscriptions | 3,140 | 3,127 |
| Legal and professional fees | 7,451 | 18,627 |
| Audit fees | 5,084 | 3,768 |
| Bank charges | 693 | 350 |
| Bad and doubtful debts | 57,176 | 5,765 |
| Printing and stationery | 5,282 | 888 |
| Books, periodicals, reference materials | 53,315 | 45,262 |
| Advertising | 69,109 | 71,800 |
| Telecommunications | 826 | 283 |
| Sundry expenses | 7,652 | 15,004 |
| Depreciation | 37,863 | 35,709 |
| Increase/(decrease) in provision | - | 21,216 |
| | (5,727,033) | (3,949,001) |
| Operating surplus/(deficit) | 361,558 | (69,272) |
| Interest receivable and similar income | | |
| Bank interest received | - | 2,430 |
| | - | 2,430 |
| Surplus/(deficit) before taxation | 361,558 | (66,842) |