University Academy 92 Limited
Annual Report and Financial Statements
Year ended 31 July 2022

Company number: 11064939

University Academy 92 Limited

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University Academy 92 Limited

Reference and Administrative Details

Board of Directors
GA Neville – Shareholder Representative
AJ Schofield – Shareholder Representative
MJ Millard – Non-Executive Chair
GJ Wilson – Non-Executive
SE Prowse
CG Oglesby – Shareholder Representative (Appointed 5 August 2022)

Senior Leadership Team

SE Prowse	-	Chief Executive Officer ('CEO')
G Pritchard	-	Chief Academic Officer ('CAO')
B Mohammed	-	Director of People and Operations
G Smith	-	Director of Student Life

Registered Office:
University House, Bailrigg, Lancaster, England LA1 4YW

Principal place of business:
UA92 Campus, Brian Statham way, Old Trafford, Stretford, Manchester M16 0PU

Professional advisors

Financial statement auditors	BDO LLP, Manchester
Solicitors	Kuits Solicitors, Manchester
Bankers	HSBC, Lancaster

University Academy 92 Limited

Strategic and Directors' report

STRATEGY

Legal status
University Academy 92 Limited ('UA92') is a Limited Company established under the Companies Act 2006 and is registered with the Office for Students and Companies House (England and Wales). UA92 is a public benefit entity.

Objectives and Strategy
The Directors present their annual report and the audited financial statements of University Academy 92 Limited (the 'Company' or 'UA92') and the Consolidated Group (the 'Group'), which is the Company and its wholly owned subsidiary UA92 Old Trafford Limited for the year ended 31 July 2022.

The Company is a joint venture between Lancaster University and several individual shareholders drawn from former Manchester United footballers' 'Class of 92' and their associates. The Company provides education services and awards Lancaster University degrees. The company focuses on the provision of academic development that has been shaped with business partners input, which meets the skills gaps that are being flagged by Greater Manchester businesses.

The current strategic plan focuses on the first 5 years of the Company's life, delivering education services and achieving a critical mass of students so that it is financially self-sufficient. Our progress against the plan is measured through metrics which include student numbers, working capital management, and daily liquidity. Other important metrics include student and staff satisfaction.

As would be expected in a start-up business, the Board meet on a regular basis to support and engage the CEO and her Senior Leadership Team with the implementation of the UA92 strategy and its associated objectives. The CEO provides fortnightly updates to the Board, and the financial performance and position of the Company are considered at all meetings of the Board.

In the year under review, year 3 of the strategic plan, the business has performed in line with the Board of Directors ('Board') expectations and has demonstrated resilience throughout the Covid Pandemic. Furthermore, in the financial year the Company was also successful with an Office for Students ('OfS') capital grant bid, which has resulted in the construction of a £2m Digital Hub which was formally opened so that our 2022-23 student cohorts could take advantage of it.

Mission, Vision, Philosophy

Mission: At UA92 we believe in delivering education that is so much more than a qualification, it's preparation for life.

Vision: Game-changing leaders of tomorrow. We believe in giving our students the tools, challenges, support, and confidence to become their best selves and achieve their dreams. Alongside their academic studies, our students embark on a personable development journey to prepare then to reach their full potential and to get them ready for the world of work.

Philosophy: Unlock your greatness. There is more to success than timing and talent. Tenacity, preparedness, passion, and hard work all play an equally important role. Add commitment, inner fire and the right preparation and you can compete at a level far beyond your inborn potential whether this be delivering the presentation of a lifetime, performing in front of the camera, or chairing the Board.

Resources

UA92 employs 94 people, of whom 35 are teaching staff.

During the current year UA92 enrolled 423 students across our multiple entry points. UA92's student population includes 72% domestic higher education students, 28% international students.

The shareholders have invested a further £1.5m of loans into the Company so that at the year end their investments include £8m of equity (2021:£8m) and £3.75m of loans (2021:£2.25m). The Company and Group has net liabilities of £4.5m (2021:£2.3m).

University Academy 92 Limited is registered with the Office for Students, our registration category is 'Approved (fee cap)', and we trade under the name UA92. As a new institution we have a 'Provisional' TEF status and award Lancaster University Degrees.

Stakeholders

UA92 has many stakeholders including:

- our current, future, and past students.
- our staff and their trade unions. The senior leadership team are named on page 3. The trade unions of which UA92 are members are the University and College Union, National Education Union, and Unison.
- the employers we work with - We are proud to work with brightest and best brands in the Digital, Business, Media, and Sporting Sectors. Our industry partners not only codevelop our curriculum but are an integral part of the learning experience. Our industry partners include: Microsoft, KPMG, TalkTalk, Manchester United, Lancashire Cricket Club, Bruntwood, Salford City FC, GG Hospitality, Sedulo and JD Group.
- our partner university Lancaster University.
- the wider college community particularly Bury College, Connell College, Stockport College and Trafford College.
- our local borough council - Trafford, combined authority of Manchester.
- The Board and the Class of 92 and its associates.

Public benefit

In delivering its mission, whilst it is not a registered Charity, the Directors have had regard to the Charities Commission on public benefit, UA92 provides identifiable public benefits through the advancement of education to students, of which 21% come from the lowest participation quintile (POLAR4 Quintile 1) compared to 13% as the sector average and 24% with a declared disability (double the sector average).

UA92 offers bursaries to students who meet predetermined criteria, and furthermore, for students who have previously had free school meals, our 'Make it For Real' program could provide them with a laptop, free data allowance, free transport, free lunch and a home voucher that is equivalent to £5,000.

All UA92 courses are designed with the input of employers, so that upon graduation, the students have the skills required by local employers.

UA92 delivers Fast Forward a free one-week course set to develop learners' confidence and boost their awareness of higher education and the routes to degree-level study.

DEVELOPMENT AND PERFORMANCE

The current financial year included a significant milestone in the UA92 journey, as in July 2022 our first cohort of students, the 'Class of 2022' graduated.

Developments

During the year UA92 made a successful application for a £2m grant from the Office for Students which we have used to construct our UA92 Digital Academy which was formerly opened in September 2022 by Andy Burnham the Mayor of Manchester. The Digital Academy was fully operational for our September 2022 and beyond student intakes.

The £2m grant has been shown as deferred income which is to be released in line with the associated depreciation of the assets funded.

Work has also started over the summer of 2022 on the development of a larger and improved onsite gym which will become available for students to use during the Autumn of 2022.

Financial Results/Performance

Our student intake in 2021-22 was in line with expectations at 204, and this took the total number of students on campus up to 368, vs 201 in prior year.

The Company is still in the start-up phase of its lifecycle and has performed in line with Directors expectations and achieved its budgeted student numbers, Income and Expenditure targets in the year. Consequently, the Directors are satisfied with the Company and Groups performance in the year.

The Financial Statements are set out on pages 23-26 and comprise the Consolidated and Company Statements of Comprehensive Income, Financial Position, Changes in Reserves; and the Consolidated Statement of Cash Flows.
Income arising in the period included: Tuition fees £3.62m (2021: £1.81m), Grants £0.25m (2021: £0.35m) and other income of £0.15m (2021: £0.01m). As our student numbers grow, we continue to invest in staffing and other areas to ensure that they get an unrivalled experience. As we have not yet reached our critical mass of students, this business incurred a loss for the year of £2.17m (2021: loss £2.4m) which was down from that of the prior year and consistent with the Board of Directors expectations.

Cash flows and liquidity

The year-end cash position was £0.5m (2021: £0.7m). The shareholders have continued to inject working capital so that the company has been compliant with the OfS 30 days liquidity target throughout the year. Other than shareholders loans and a finance lease, the Company and Group has no other external borrowings.

Reserves
The loss for the year of £2.17m (2021: £2.40m) has been taken to reserves.
UA92 does not currently have a formal Dividend Policy but will implement one when it exceeds its student critical mass and becomes profitable, as it recognises the importance of reserves in the financial stability of an organisation.

Group companies
UA92 has one subsidiary company, UA92 Old Trafford Limited (‘UA92OT’), which is a company incorporated in England and Wales. The principal activity of UA92OT is as an education provider, but the entity has not traded during the current year.

KEY PERFORMANCE INDICATORS

UA92’s key performance indicators, targets and results are set out below.

Key performance indicator	Measure/Target	Actual for 2021/2022
Student number targets	**385**	**368**
Student achievement/progression	**93%**	**91%**
Good Hons	**60%**	**68%**
Cash Liquidity days	**30 days**	**40 days**
EBITDA Loss for the year	**£1,853**	**£1,853**

FUTURE PROSPECTS

Future developments

The Company continues to invest in its facilities, and the 2022-23 cohorts will benefit from the new Digital Academy and enhanced gym facilities.

UA92 has now been admitted onto the Register of Apprenticeship Training Providers (‘RoATP’) and has designed courses that meet the needs of several significant local businesses which will be delivered in the 2022-23 academic year. UA92 also continues to develop and deliver ‘bootcamps’ that help individuals enhance their employability prospects.

Financial plan

In the year, the Directors approved the financial plan which sets our objectives and financial targets for the 2022-23 academic year. The expectation is that during that year the business will incur a further trading loss but will become self-sufficient from a working capital perspective.

Post Balance Sheet Event

On the 5 August 2022 the leading commercial property company, Bruntwood, partnered with UA92 investing £1.25m into UA92 in exchange for 1,250,000 ‘A2’ £1 Ordinary Shares. Bruntwood has a strong track record of actively collaborating with a broad range of partners to bring about real change in the communities it operates within. This commitment to UA92 is the latest partnership which highlights Burntwood’s ongoing focus on skills development.

At the same time as the Bruntwood investment in 1,250,000 new ‘A2’ £1 Ordinary Shares was made , Lancaster University applied for a further 2,500,000 ‘B’ £1 Ordinary shares in satisfaction of the £2.5m loan it was owed. Furthermore, the original £1 ‘A’ ordinary shares were redesignated as ‘A1’ £1.0 Ordinary and the Class of 92 applied for a further 1,250,000 ‘A1’ £1 Ordinary Shares in satisfaction of the £1.25m loan they were owed. At end of the transactions 13,000,000 Ordinary shares were in issue, comprising:

5,250,000 ‘A1’ £1 Ordinary Shares – Held by the Class of 92 and their Associates
1,250,000 ‘A2’ £1 Ordinary Shares – Held by Bruntwood Limited
6,500,000 ‘B’ £1 Ordinary Shares - Held by Lancaster University.

PRINCIPAL RISKS AND UNCERTAINTIES

UA92 has strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The Board of Director's have overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

The risk register is reviewed at least annually by the Board and more frequently by the Audit and Risk Committee.

The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on UA92 and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

The key risk factors affecting UA92 are outlined below along with the action taken to minimise them. Not all the factors are within the Company's control, and other factors besides those listed below may also adversely affect the Company.

Risk	Potential Impact	Mitigators
The business will need working capital injections until the growth in student numbers reaches the critical mass.	Challenges in meeting obligations as they fall due.	Shareholders have continued to provide working capital injections so that UA92 complies with OfS minimum days liquidity.
As a start-up, UA92 needs to continue to develop its processes and controls in line with the business's growth.	Failure of a process or control could result in delays in collecting and reporting data to the OfS or SLC.	A series of spreadsheets and data management processes currently exist, and these will be superseded by a CRM system as the business grows. Additional resource can be deployed if necessary.
The market for academic staff is competitive.	Failure to recruit and retain academic staff could impinge upon delivery and growth ambitions.	Ensure we have an appropriate reward strategy for recruiting and retaining staff. Develop and support staff to strengthen retention rates.

Covid-19

The requirements placed upon employers and employees under the Health and Safety at Work Act 1974 apply to the risk associated with Covid-19 as any other workplace risk. UA92, under its duty of care, has needed to ensure that risks were kept as low as is reasonably practicable and that the health and wellbeing of staff, students and visitors were of primary consideration.

The University has sought to manage such risk via a number of controls that focused on implementation of social distancing plans, hygiene controls and administrative controls such as a blended learning approach so as to manage the number of people attending campus each day, as well as the provision of training and the raising awareness. UA92 worked with the Public Health team in Trafford to operate a lateral flow testing centre on campus for staff and students.

At every stage of the process, the University has ensured that its activities were in alignment with the current guidance from central government, adhering to restrictions set out. Activities were also in line with advice and guidance from the Health and Safety Executive (HSE), Public Health England (PHE), industry bodies such as Universities UK.

Environmental sustainability

UA92 remains committed to environmental sustainability and minimising the environmental impact of its activities and operations. With the support of our landlord, UA92 utilises both technical interventions and measures, as well as culture and behaviour change to help us and our students reduce our environmental impact.

We are cognisant of our responsibilities under the Modern Slavery Act and require our suppliers to confirm compliance with the Act.

Disability statement

UA92 seeks to achieve the objectives set down in the Equality Act 2010:

From UA92's inception the institution has worked to create an inclusive and accessible environment and curricula for our students, to attract disabled students and ensure we are meeting their needs. As a result of the measures the institution has put in place and a commitment to continual growth and improvement in this area, UA92 attracts more disabled students than most other Higher Education Institutions (24% in 2021-22 compared to 14% as a national average).

USPs of UA92, which are particularly attractive to disabled students are:

- A spacious and accessible campus
- Small teaching classes
- A structured and unchanging AM or PM timetable

Through the creation of the 'Inclusive Curriculum', UA92 has demonstrated a commitment to delivering academic courses in a way that is accessible as possible, particularly for disabled students whether or not they choose to disclose their disability. The Inclusive Curriculum provides guidance for our academics to embed reasonable adjustments into the curricula as standard, across all UA92's courses.

UA92 also has AccessAble accreditation and detailed access guides for all visitors, guests, colleagues and students, to ensure disabled people have additional accessibility information required before they arrive on campus. This information is shared with prospective students before they arrive for open days or school/college campus visits.

For all disabled students, UA92 ensures we meet with them and provide:

- Learning Support Plans (listing reasonable adjustments to be made by academic colleagues)
- Assessment Memos for students with Specific Learning Difficulties
- Support to apply for and access support through Disabled Students' Allowances, such as laptops, assistive software, mentoring, study skills tutoring etc.
- Personal Emergency Evacuation Plans for students requiring support to exit campus in an emergency

UA92 offers free screenings for any student who suspects they may have a Specific Learning Difficulty (SpLD) and the institution has covered the full cost of a full diagnostic assessments with an educational psychologist who can determine and diagnose students with a SpLD.

UA92 has also recently installed a Changing Places toilet with a changing table and ceiling track hoist. This will help us to support and attract more disabled students, particularly those with more complex needs.

University Academy 92 is a widening participation institution. It has an Approved Access and Participation Plan in place with the Office for Students enabling the institution to charge higher level fees. UA92 runs a number of programmes targeted at disadvantaged groups to support them with accessing Higher Education, this includes our Make It For Real scheme which provides learners who were in receipt of free school meals with a free package worth £5,000 to support them in accessing higher education and unlocking the career of their dreams

GOING CONCERN

The Company continues in its start-up phase, and consequently the financial statements reflect the costs of establishing a campus, recruiting students and continuing to develop a strong capable workforce.

The Company welcomed our first student cohort on to the campus in September 2019, and this cohort graduated during July 2022. The student intake numbers continue to grow annually, but have not yet reached the point where the business is self-funding. As a consequence, as in prior years, additional working capital has been provided by the shareholders.

Management have performed a going concern assessment covering 12 months from the date off signing the financial statements by preparing forecasts (including cash forecasts) that look at the financial position of the entity. Management have prepared these forecasts on a scenario basis, which entailed anticipated student numbers and also if the student numbers were lower than expected to determine the maximum funding required.

The results of the above scenario analysis indicated that there will be no further need for funding required for the 12 months from the signing of the financial statements. The shareholders have indicated that they will continue to provide working capital for the 12 months from the signing date of the financial statements. The shareholders have provided letters of intent to provide working capital should it be necessary. Whilst the letters of intent are not legally binding, the shareholders have provided £4.2m of funds in 2017/18, £2.8m in 2018/19, £1.2m in 2019/20, £2m in 2020/21, £1.5m in 2021/22 and a further £2.3m since the year end.

Given the above and the dependence upon future student intake numbers, there is a material uncertainty related to events or conditions that may cast doubt on the Company and Group's ability to continue as a going concern and to meet its obligations as they fall due. Nevertheless, the Directors have a reasonable expectation for at least twelve months from the date of approval of these financial statements that the required financial support will be received from the shareholders, and for this reason, they continue to adopt the going concern basis of accounting in preparing the financial statements. Consequently, the financial statements do not include the adjustments that would arise if the Company and Group was unable to continue as a going concern.

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 Company'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 Company's auditors are aware of that information.

Approved by order of the Board of Directors on 20th December 2022 and signed on its behalf by:

MJ Millard OBE
Chair

University Academy 92 Limited
Statement of Corporate Governance and Internal Control

Corporate Governance
The following statement is provided to enable readers of the UA92 annual report and accounts to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2021 to 31 July 2022 and up to the date of approval of the annual report and financial statements.

Governance Code

UA92 is registered with the OfS as a higher education provider and awards Lancaster University degrees. As such, it operates within the Regulatory Framework for Higher Education in England and complies with the public interest governance principles.

UA92 is committed to best practice with respect to Corporate Governance and conducts its business:

- in accordance with the seven principles identified by the Committee on Standards in Public Life ('Nolan Principles'), being: selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- in compliance with the guidance on corporate governance provided for the sector by the Committee of University Chairs (CUC), including the Higher Education Code of Governance. The Board adopts the latest revision of the code and seeks to align its procedures accordingly.

Board of Directors

The Directors during the year and up to the date of signature of this report were as listed in the table below:

	Date of Appointment	**Term of office**	**Date of resignation**	**Board sub-committees served**	**Board attendance in 2021/22**
GA Neville	27 June 2018	N/A*	-		9
AJ Schofield	4 August 2020	N/A*	-		12
MJ Millard	21 May 2019	3 years	-	Remuneration, Audit	13
GJ Wilson	21 May 2019	3 years	-	Remuneration, Audit	13
SE Prowse	10 May 2021	N/A*	-	#	11
CG Oglesby	5 August 2022	N/A*	-		N/A

* As shareholders there is no period of appointment
# Attends Remuneration and Audit Committee by invitation.
^ Terms of office were renewed on 1 March 2022

The governance framework

The Board of Directors (the 'Board') are responsible for bringing independent judgement and challenge to bear on issues of strategy, performance, resources and standards of conduct.

The Board are provided with regular and timely information on the overall financial performance of UA92 together with other information such as performance against KPI's, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Board typically meets every other month, or more frequently where deemed necessary. The Board also meet for a strategic day at least once every financial year.

The Board have several matters that are for its consideration and conducts some of its business through a number of committees. Each committee has terms of reference, which have been approved by the Board. These committees are Audit and Risk, and Remuneration. Full minutes of all meetings, except those deemed to be confidential by UA92, are retained by the Registrar.

The Registrar also maintains a register of financial and personal interests of the Directors.

All Directors can take independent professional advice in furtherance of their duties at the Company's expense and have access to the Registrar, who is responsible to the Board of Directors for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Registrar, or the Chief Executive Officer are matters for the Board of Directors as a whole.

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

The Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board considers that each of its non-executive Directors 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 of the Board, The Chief Executive and the Accounting Officer (who is also the Chief Academic Officer) are separate.

The adequacy and effectiveness of arrangements for corporate governance, risk management and oversight of any statutory and other regulatory responsibilities, including compliance with the OfS's ongoing conditions of registration and any terms and conditions of funding, are kept under regular review to ensure that they remain fit-for-purpose. This is achieved through a range of review mechanisms including internal, by our partner university, and the external auditors. These arrangements also ensure that the regularity and propriety in the use of public funding.

Appointments to the Board

Any new member appointments to the Board are a matter for the consideration of the Board as a whole.

The Non-Executive Directors are appointed for a term of office not exceeding four years.

Board performance

The Board has carried out a self-assessment of its own performance with the support of an external consultant.

The Board is committed to development and has drawn upon support from colleagues at Lancaster University and an external consultant.

Remuneration Committee

Throughout the year ending 31 July 2022 the Remuneration Committee comprised the two Non-Executive Directors. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Chief Executive Officer, the Accounting Officer and other members of the Senior Leadership Team.

Details of remuneration for the year ended 31 July 2022 are set out in note 4 to the financial statements.

Audit and Risk Committee

The Audit and Risk Committee ('ARC') comprises the two independent Non-Executive Directors of the Board**.** The ARC operates in accordance with written terms of reference approved by the Board.

The ARC meets three times during the year and provides a forum for reporting by the Company's External Auditors and the Registrar, who have access to the Committee for independent discussion without the presence of UA92 management. The ARC also receives and considers any reports from the External Auditor.

The ARC review UA92's Annual Report and Financial Statements. The ARC also has oversight of risk management and provides an annual report to the Board which sets out its opinion on the adequacy and effectiveness of the University's arrangements for risk management, control and governance; economy, efficiency and effectiveness (VFM) and the management and quality assurance of data (and in particular data submitted to the Higher Education Statistics Agency, the Student Loans Company, the Office for Students, and any other bodies).

In the view of the Board, UA92 does not currently require an Internal Auditor and this decision is reviewed on an annual basis. The current size of the Company means that assurances on internal control, risk management controls and governance processes have been obtained from the Chief Executive Officer, the Chief Academic Officer (who is the Accounting Officer), the Registrar and from the Academic Quality review performed by Lancaster University during the course of the year.

The ARC also advises the Board on the appointment and removal of the external auditor and their remuneration for audit and non-audit work. The external auditor has not performed work other than the external audit in the year.

The audit committee met three times in the year to 31 July 2022. The members of the committee and their attendance records are shown below:

ARC member	Meetings attended
GJ Wilson (Chair)	3
MJ Millard	3

The CEO, Registrar, Financial Controller and External Auditor attend ARC meetings where their input is deemed appropriate and necessary.

INTERNAL CONTROL

The Board is responsible for maintaining a system of internal control that supports the achievement of the policies, aims and objectives of UA92, while safeguarding the public and other funds and assets for which we are responsible. It does this in accordance with its articles of association, its shareholder agreement and the OfS terms and conditions. The system of internal control is based on an ongoing process designed to identify and mitigate the principal risks to the achievement of policies, aims and objectives. It is designed to manage rather than eliminate the risk of failure and can therefore only provide reasonable and not absolute assurance of effectiveness against material mis-statement or loss. The following processes have been established by the Board and have been in place for the year ended 31 July 2022 and up to the date of approval of the Financial Statements:

- The Board delegates the day-to-day operational responsibility to the CEO and CAO for maintaining a sound system of internal control that supports the achievement of the Company's policies, aims and objectives, whilst safeguarding the public funds and assets for which the CAO is personally responsible, in accordance with the responsibilities assigned to him by the OfS.
- The CEO and CAO attend Board meetings and have the opportunity to raise any matter that they believe needs bringing to the attention of the Board.
- The Board meets at regular intervals to consider the plans and strategic direction of the Company.
- The Board receives regular reports on progress in relation to Key Performance Indicators, the Financial Budgets and Projections, the Risk Register, and any ongoing or future Capital Program.
- The Board has requested the ARC provide oversight of the Company's management of risks, and also considers the Register itself Annually.
- The Board has approved a Scheme of Delegation.
- The Chair of Audit Committee attends facilitated workshops which are held for UA92 managers to identify and keep up to date the record of risks facing the Company.
- The need for internal audit services is considered annually by the ARC.
- A system of reporting on risk management has operated by the Registrar throughout the year.
- At the end of the year the Chair of the Audit Committee formally reports to the full Board on the Committee's activities during the year. This report includes an assessment of the effectiveness of the internal control system (including risk management) which is informed by the Registrar and Accountable Officer.
- Financial and Academic Quality reports are presented to the Board.

The Board's approach to risk is to manage UA92's exposure to it. UA92 seeks to recognise risk and mitigate adverse consequences where possible whilst embracing appropriate opportunities. Board recognises that in pursuit of its mission and academic objectives it may choose to accept an increased level of risk. It will do so subject to ensuring that the benefits and risks are fully understood before activities are authorised and that appropriate measures to mitigate risk are established.

The Board's review of the effectiveness of this system of internal control and for delivering value for money, is also informed by the work of the Company's managers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

Approved by order of the members of the Board on 20th December 2022 and signed on its behalf by:

MJ Millard OBE
Chair

G Pritchard
Accounting Officer

University Academy 92 Limited

Directors' responsibilities statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires that the directors prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102 ('FRS102') and the Statement of Recommended Practice ('SORP') for Further and Higher Education (2019 edition).

The financial statements are required to give a true and fair view of the state of affairs of the Company and its surplus / deficit of income over expenditure for that period.

In preparing the financial statements, the Directors are 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 Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation and relevant accounting standards. The Directors are also responsible for taking steps that are reasonably open to them to safeguard the assets and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of its website; the work carried out by 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.

Approved by order of the Board on 20th December 2022 and signed on its behalf by:

MJ Millard OBE	G Pritchard
Chair of governors	Chief Academic Officer

Independent Auditor's Report on the Financial Statements

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Institution's affairs as at 31 July 2022 and of the Group's and the Institution's income and expenditure, gains and losses, changes in reserves and of the Group's and the Institution's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of University Academy 92 Limited ("the Institution") and its subsidiaries (the "Group") for the year ended 31 July 2022 which comprise consolidated and institution statement of changes in reserves, consolidated and institution statement of comprehensive income, consolidated and institution statement of financial position, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Institution 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.

Material uncertainty related to going concern

We draw attention to note 20 to the financial statements, which sets out the Directors considerations over going concern and that the Group and Institution is dependent on the continued financial support of its shareholders and future student intake numbers. As stated in note 20, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group and Institution's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other information

The board is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Other Companies Act 2006 reporting

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

- the information given in the annual report, which includes the directors' report and the strategic report prepared for the purposes of company law, 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, which are included in the annual report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Institution 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 board members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Opinion on other matters required by the Office for Students ("OfS")

In our opinion, in all material respects:

- Funds from whatever source administered by the Institution for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS have been applied in accordance with the relevant terms and conditions
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

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

- The Institution grant and fee income, as disclosed in note 1 to 3 to the accounts, has been materially misstated.
- The Institution expenditure on access and participation activities for the financial year, as has been disclosed in note 7 to the accounts, has been materially misstated.

Responsibilities of the board members

As explained more fully in the directors responsibilities statement, the board members (who are also the directors of the Institution for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members 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 board members are responsible for assessing the Group and the Institution'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 board members either intend to liquidate the Group or the Institution 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Office for Students, and we considered the extent to which non-compliance might have a material effect on the Group Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounts Direction OfS 2019.41 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, including direct representation from the Accountable Officer.
- Reviewing minutes of meetings of those charged with governance and reviewing correspondence with HMRC and OfS to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility.
- Reviewing items included in the fraud register as well as the results of investigation into these matters.
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the provision against student and other debtors.
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals and tested the application of cut-off and revenue recognition.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the Institution have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding with the OfS.

Use of our report

This report is made solely to the board 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 Institution's board 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 Institution and the board members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Nicola Small
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Nicola Small (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK
21 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated and Institution Statement of Changes in Reserves

Year ended 31 July 2022

Consolidated	Income and expenditure reserve	Called up share capital	Total excluding non-controlling Interest	Non-controlling interest	Total
	Unrestricted £	£	£	£	£
Balance at 1 August 2020	**(7,950,650)**	**8,000,000**	**49,350**	**0**	**49,350**
Surplus/(deficit) for the year	(2,398,879)	-	(2,398,879)	-	(2,398,879)
Total comprehensive income for the year	(2,398,879)	0	(2,398,879)	**-**	(2,398,879)
Balance at 1 August 2021	**(10,349,529)**	**8,000,000**	**(2,349,529)**	**0**	**(2,349,529)**
Surplus/(deficit) for the year	(2,126,941)	-	(2,126,941)	0	(2,126,941)
Other comprehensive income				-	
Total comprehensive income for the year	(2,126,941)	0	(2,126,941)	-	(2,126,941)
Balance at 31 July 2022	**(12,476,470)**	**8,000,000**	**(4,476,470)**	**0**	**(4,476,470)**

Institution		Called up share	Total excluding non-controlling Interest	Non-controlling interest	Total
	Unrestricted £	£	£	£	£
Balance at 1 August 2020	**(7,950,550)**	**8,000,000**	**49,450**	-	**49,450**
Surplus/(deficit) for the year	(2,398,879)	-	(2,398,879)	-	(2,398,879)
Total comprehensive income for the year	(2,398,879)	0	(2,398,879)	-	(2,398,879)
Balance at 1 August 2021	**(10,349,429)**	**8,000,000**	**(2,349,429)**	-	**(2,349,429)**
Surplus/(deficit) for the year	(2,126,941)	-	(2,126,941)	-	(2,126,941)
Total comprehensive income for the year	(2,126,941)	0	(2,126,941)	-	(2,126,941)
Balance at 31 July 2022	**(12,476,370)**	**8,000,000**	**(4,476,370)**	-	**(4,476,370)**

Consolidated and Institution Statement of Comprehensive Income
Year Ended 31 July 2022

	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated	**Institution**	Consolidated	Institution
		£	£	£	£
Income					
Tuition fees and education contracts	1	**3,627,224**	**3,627,224**	1,808,499	1,808,49
Funding body grants	2	**252,323**	**252,323**	352,854	352,85
Other income	3	**142,492**	**142,492**	13,686	13,686
Total income		**4,022,039**	**4,022,039**	2,175,039	2,175,039
Expenditure					
Staff costs	4	**2,893,789**	**2,893,789**	1,874,800	1,874,80
Other operating expenses	6	**2,837,571**	**2,837,571**	2,248,496	2,248,49
Depreciation and amortisation	10	**436,313**	**436,313**	418,175	418,17
Interest and other finance costs	5	**20,545**	**20,545**	32,447	32,447
Total expenditure		**6,188,218**	**6,188,218**	4,573,918	4,573,918
Surplus/(deficit) before other gains/(losses) and share of surplus/(deficit) of joint ventures and associates.		**(2,166,179)**	**(2,166,179)**	(2,398,879)	(2,398,879)
Surplus / (Deficit) before tax		**(2,166,179)**	**(2,166,179)**	(2,398,879)	(2,398,879)
Taxation	8	**39,238**	39,238	0	-
Surplus / (Deficit) for the year		**(2,126,941)**	**(2,126,941)**	(2,398,879)	(2,398,879)
Total comprehensive income for the year		**(2,126,941)**	**(2,126,941)**	(2,398,879)	(2,398,879)
Represented by:					
Unrestricted comprehensive income for the year		**(2,126,941)**	**(2,126,941)**	(2,398,879)	(2,398,879)
Attributable to the Institution		**(2,126,941)**	**(2,126,941)**	(2,398,879)	(2,398,879)
		(2,126,941)	**(2,126,941)**	(2,398,879)	(2,398,879)
Surplus for the year attributable to:					
Institution		**(2,126,941)**	**(2,126,941)**	(2,398,879)	(2,398,879)

All items of income and expenditure relate to continuing activities.
The accompanying notes and policies on pages 27 to 39 form part of these financial statements.

Sara Prowse, CEO

Gary Pritchard, CAO G.M. P

Dated: 20.12.22

Consolidated and Institution Statement of Financial Position

		As at 31 July 2022		As at 31 July 2021	
	Notes	**Consolidated**	**Institution**	Consolidated	Institution
		£'000	**£'000**	£'000	£'000
Non-current assets					
Intangible assets	9	**67,658**	**67,658**	-	-
Tangible assets	10	**3,497,147**	**3,497,147**	1,616,387	1,616,387
Investment in subsidiaries		-	**100**		100
		3,564,805	**3,564,905**	1,616,387	1,616,487
Current assets					
Stock	12	**4,770**	**4,770**	6,071	6,071
Trade and other receivables	13	**313,975**	**313,975**	162,304	162,304
Cash and cash equivalents	17	**460,049**	**460,049**	726,122	726,122
		778,794	**778,794**	894,497	894,497
Less: Creditors; amounts falling due within one year	14	**(3,015,248)**	**(3,015,248)**	(1,920,084)	(1,920,084)
Net current (liabilities)/assets		**(2,236,454)**	**(2,236,454)**	(1,025,587)	(1,025,587)
Total assets less current liabilities		**1,328,351**	**1,328,451**	590,800	590,900
Creditors: amounts falling due after more than one year	15	**(5,804,821)**	**(5,804,821)**	(2,940,329)	(2,940,329)
Total net assets		**(4,476,470)**	**(4,476,370)**	(2,349,529)	(2,349,429)
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		**(12,476,470)**	**(12,476,370)**	(10,349,529)	(10,349,429)
Called up share capital		**8,000,000**	**8,000,000**	8,000,000	8,000,000
		(4,476,470)	**(4,476,370)**	(2,349,529)	(2,349,429)
Non-controlling interest		**0**	-	0	-
Total Reserves		**(4,476,470)**	**(4,476,370)**	(2,349,529)	(2,349,429)

The financial statements were approved by the Governing Body on 20th December 2022 and were signed on its behalf on that date by: The accompanying notes and policies on pages 27 to 39 form part of these financial statements.

Sara Prowse, CEO

Gary Pritchard, CAO G.M.P

Dated: 20.12.22

Consolidated Statement of Cash Flows

Year ended 31 July 2022

	Notes	**Year Ended 31 July 2022**	Year Ended 31 July 2021
		£	£
Cash flow from operating activities			
Surplus for the year before tax		**(2,166,179)**	(2,398,879)
Adjustment for non-cash items			
Depreciation	10	**436,313**	418,175
Decrease/(increase) in stock	12	**1,301**	17,715
Decrease/(increase) in debtors	13	**(151,671)**	11,052
Increase/(decrease) in creditors	14	**610,484**	626,768
Adjustment for investing or financing activities			
Interest payable	5	**20,545**	32,447
Capital grant income	2	**(249,348)**	(172,029)
Cash flows from operating activities		**(1,498,555)**	(1,464,751)
Taxation	8	39,238	0
Net cash inflow from operating activities		**(1,459,317)**	(1,464,751)
Cash flows from investing activities			
Proceeds from sales of tangible assets		**0**	421,726
Capital grants receipts		**2,000,000**	0
Payments made to acquire tangible assets	10	**(2,002,755)**	(497,248)
Payments made to acquire intangible assets	9	**(67,658)**	0
		(70,413)	(75,522)
Cash flows from financing activities			
Interest element of finance lease and service concession payments	5	**(20,545)**	(32,447)
New unsecured loans	16	**1,500,000**	2,000,000
Repayments of finance lease		**(215,798)**	-189,480
		1,263,657	1,778,073
		(266,073)	237,800
(Decrease)/increase in cash and cash equivalents in the year			
Cash and cash equivalents at beginning of the year	17	**726,122**	488,322
Cash and cash equivalents at end of the year	17	**460,049**	726,122

Statement of Principal Accounting Policies
for the year ended 31 July 2022

1 Accounting convention

The Consolidated and Institution financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102. Additionally, the financial statements conform to the guidance published by the Office for Students.

2 Basis of preparation

The Consolidated and Institution financial statements have been prepared under the historical cost convention (modified by the revaluation of certain financial assets and liabilities at fair value).

The Institution's activities, together with the factors likely to affect its future development, performance and position, are set out in the operational and financial review which forms part of the Board's Report. The Board's Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities. The Board has a reasonable expectation that the Institution has adequate resources to continue in operational existence for the foreseeable future.
Thus, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

3 Exemptions under FRS 102

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the Institution in its separate financial statements.

4 Basis of consolidation

The consolidated financial statements include the financial statements of the Institution and all its subsidiaries together with the share of the results of joint ventures and associates for the financial year to 31 July 2022.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated.
Balances between the Institution and its associates and joint ventures are not eliminated. Normal trading transactions that are not settled by the balance sheet date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to the Institution’s share is eliminated.

5 Income recognition

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income when the goods or services are supplied to the external customers, or the terms of the contract have been satisfied.

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is period in which students are studying, or where relevant, when performance conditions have been met.

Grant funding

Government revenue grants including funding council block grant and research grants are recognised in income over the periods in which the Institution recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Capital grants

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the Institution is entitled to the funds subject to any performance related conditions being met.

6 Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the Institution.

7 Finance leases

Leases in which the Institution assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

8 Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the lease term.

9 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

10 Property, plant and equipment

Property

Capitalised leasehold improvements are stated at cost and depreciated over its expected useful life as follows:

Leasehold improvements	8 years

No depreciation is charged on assets in the course of construction.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

Equipment

Equipment, including computers and software, costing less than de minimus per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Plant and Machinery	5 years
Furniture, fixtures and fittings	5 years

Where an item of equipment comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

11 Intangible assets and Goodwill

Intangible assets

Intangible assets purchased separately from a business are initially recognised at its cost.
Intangible assets acquired in a business combination are recognised separately from goodwill when all the following three conditions are satisfied:
(a)) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably.
(b) the intangible asset arises from contractual or other legal rights; and
(c) the intangible asset is separable (i.e. capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged either individually or together with a related contract, asset or liability).
The cost of that intangible asset is its fair value at the acquisition date.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The useful economic lives of intangible assets are as follows:
IT Development costs – 5 years

12 **Investments**

Investments in subsidiaries are carried at cost in the Institution's separate financial statements.
Investments are held in the Statement of Financial Position as basic financial assets and are measured in accordance with accounting policy note 11.

13 Stock

Stock is valued at cost.

14 Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

15 Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:
(a) the Institution has a present obligation (legal or constructive) as a result of a past event;
(b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
(c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the Institution a probable obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institution. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the Institution a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institution.

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

16 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

The Institution receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

17 Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the Institution, are held as a permanently restricted fund which the Institution must hold in perpetuity.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the Institution is restricted in the use of these funds.

18 Critical Accounting estimates and judgements

The preparation of the Institution's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. In preparing these financial statements, management has made the following judgements:
Considering whether there are indicators of impairment of the group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
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. Residual value assessments consider issues such as future market conditions and the remaining life of the asset.

19 Investments

Investments in subsidiaries are measured at cost less impairment.

20 Going concern

The Company and Group continues in its startup phase, and consequently the financial statements reflect the costs of establishing a campus, recruiting students and continuing to develop a strong capable workforce.

The University welcomed our first student cohort on to the campus in September 2019, and this cohort graduated during July 2022. The student intake numbers continue to grow annually, but have not yet reached the point where the business is self-funding. As a consequence, as in prior years, additional working capital has been provided by the shareholders.

Directors have performed a going concern assessment covering 12 months from the date off signing the financial statements by preparing forecasts (including cash forecasts) that look at the financial position of the entity. Management have prepared these forecasts on a scenario basis, which entailed anticipated student numbers and also if the student numbers were lower than expected to determine the maximum funding required.

Directors have prepared these forecasts on a scenario basis, which entailed anticipated student numbers and also if the student numbers were lower than expected to determine the maximum funding required.

The shareholders have indicated that they will continue to provide unsecured loans for working capital for the 12 months from the signing date of the financial statements.

The shareholders have provided letters of intent to provide working capital should it be necessary. The Directors have reason to believe the shareholders have the ability to provide such working capital.

Whilst the letters of intent are not legally binding, the shareholders have provided £4.2m of funds in 2017/18, £2.8m in 2018/19, £1.2m in 2019/20, £2m in 2020/21, £1.5m in 2021/22 and a further £2.3m since the year end.

Given the dependence upon the continued financial support of the shareholders and future student intake numbers, there is a material uncertainty related to events or conditions that may cast doubt on the Company and Group's ability to continue as a going concern and to meet its obligations as they fall due.

Nevertheless, the Directors have a reasonable expectation for at least twelve months from the date of approval of these financial statements that the required financial support will be received from the shareholders,

and for this reason, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Consequently, the financial statements do not include the adjustments that would arise if the Company and Group was unable to continue as a going concern.

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Notes to the financial statements
for the year ended 31 July 2022

				Year Ended 31 July 2022		Year Ended 31 July 2021	
				Consolidated	**Institution**	Consolidated	Institution
1		**Tuition fees and education contracts**	Notes	**£**	**£**	£	£
	Taught awards - not to include FE	Full-time home and EU students		**2,685,738**	**2,685,738**	1,686,189	1,686,189
	Taught awards	Full-time international students		**941,486**	**941,486**	122,310	122,310
				3,627,224	**3,627,224**	1,808,499	1,808,499

2		**Funding body grants**				
		Recurrent grant				
	OfS	Office for Students	**2,976**	**2,976**	6,490	6,490
		Specific grants				
	Other bodies	Catalyst grant	249,347	249,347	346,364	346,364
			252,323	**252,323**	352,854	352,854

(Income from capital grants includes £249,347 in respect of capital grants released in the year (2020/21: £249,347)

3	**Other income**				
	Other income	**142,492**	**142,492**	13,686	13,686
		142,492	**142,492**	13,686	13,686

Notes to the financial statements
for the year ended 31 July 2022

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated	**Institution**	Consolidated	Institution
	£	**£**	£	£
4 Staff costs				
Staff Costs :				
Salaries	**2,468,543**	**2,468,543**	1,606,158	1,606,158
Social security costs	**262,407**	**262,407**	168,418	168,418
Other pension costs	**162,839**	**162,839**	100,224	100,224
Total	**2,893,789**	**2,893,789**	**1,874,800**	**1,874,800**

Total remuneration of the head of the institution	**31 July 2022** £	31 July 2021 £
Basic salary	**152,500**	182,550
Performance-related pay and other bonuses	**30,000**	14,000
Health Insurance	**192**	
Compensation for loss of office	**-**	95,456
	182,692	292,006

The CEO is the highest paid member of staff, and their remuneration reflects the skills required to lead a 'disruptive' HEI that is commercial and actively engaged with business.

The CEO's remuneration is subject to annual review by the Remuneration Committee, and reflect their performance across a number of pre-determined criteria.

The number of other staff with a basic salary of over £100,000 per annum has been included below.

	31 July 2022		31 July 2021	
Basic salary per annum	**Consolidated No.**	**Institution No.**	Consolidated No.	Institution No.
£100,000 - £104,999				
£105,000 - £109,999				
£110,000 - £114,999				
£115,000 - £119,999				
£120,000 - £124,999	1	1		
	1	1	0	0

Average staff numbers by major category :	**No.**	No.
Academic	**21**	17
Administrative	**57**	31
Total number of staff	**78**	48

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institution. Staff costs includes compensation paid to key management personnel.

	Year ended 31 July 2022	Year ended 31 July 2021
	£	£
Key management personnel compensation	**690,700**	468,657

The CEO's basic salary is 3.3 (2021:4.1) times the median pay of staff, where the median pay is calculated on a full time equivalent basis for the salaries from the provider to its staff. The provisions of paragraph 12d of OFS accounts direction 19/20 have been adopted
The CEO's total remuneration is 4.3 (2021 6.4) times the median pay of staff, where the median pay is calculated on a full time equivalent

basis for the salaries from the provider to its staff. The provisions of paragraph 12d of OFS accounts direction 19/20 have been adopted.

	Year Ended 31 July 2022 Consolidated £	Year Ended 31 July 2022 Institution £	Year Ended 31 July 2021 Consolidated £	Year Ended 31 July 2021 Institution £
5 Interest and other finance costs				
Finance lease interest	**20,545**	**20,545**	32,447	32,447
	20,545	**20,545**	32,447	32,447
6 Analysis of total expenditure by activity				
Academic and related expenditure	**441,406**	**441,406**	376,597	376,597
Administration and central services	**981,856**	**981,856**	962,595	962,595
Premises (including service concession cost)	**1,054,757**	**1,054,757**	905,999	905,999
Other expenses	**359,552**	**359,552**	3,304	3,304
	2,837,571	**2,837,571**	2,248,495	2,248,495
Other operating expenses include:				
Operating lease rentals				
Land and buildings	**0**	**0**	0	0
Other	**8,609**	**8,609**	0	0
Fees payable to the auditor for the audit of the financial statements	**33,000**	**33,000**	25,000	25,000
Taxation compliance services	**8,220**	**8,220**	20,220	20,220
Taxation advisory services	**6,325**	**6,325**	-	-
7 Access and Participation	**2022**	**2022**	2021	2021
Access Investment	251,301	251,301	184,573	184,573
Financial Support	103,666	103,666	100,389	100,389
Disability Support				
	354,967	354,967	284,962	284,962

Consolidated: £251,301 of these costs are already included in the overall staff costs figures included in note 7 (2021: £184,573).
Institution: £251,301 of these costs are already included in the overall staff costs figures included in note 7 (2021: £184,573).
Applies to OfS regulated institutions only.
The university access and participation plan can be found at:
https://apis.officeforstudents.org.uk/accessplansdownloads/2125/UniversityAcademy92Limited_APP_2021-22_V1_10067648.pdf

	Year Ended 31 July 2022 Consolidated £	Year Ended 31 July 2022 Institution £	Year Ended 31 July 2021 Consolidated £	Year Ended 31 July 2021 Institution £
8 Taxation				
Recognised in the statement of comprehensive income				
Current tax				
Adjustment in respect of previous years	**(39,238)**	**(39,238)**	0	-
Current tax refund	**(39,238)**	**(39,238)**	**0**	**0**
Deferred tax				
Origination and reversal of timing differences	**0**	**-**	0	**-**
Reduction in tax rate	**0**	**-**	0	**-**
Recognition of previously unrecognised tax losses	**0**	**-**	0	**-**
Deferred tax expense	**0**	**0**	**0**	**0**
Total tax refund	**(39,238)**	**(39,238)**	**0**	**0**
Factors affecting the tax charge				
The tax assessed for the year is lower than the standard rate of corporation tax in the UK.				
Loss before taxation	**(2,166,179)**	**(2,166,179)**	(2,398,879)	(2,398,879)
UK corporation tax at 19% (2021: 19%)	**0**	**0**	0	0
Effect of:				
Previous year adjustment	**(39,238)**	**(39,238)**	0	0
Total tax expense	**(39,238)**	**(39,238)**	0	0

9 Intangible assets

Software	Year Ended 31 July 2022 Consolidated £	Year Ended 31 July 2022 Institution £	Year Ended 31 July 2021 Consolidated £	Year Ended 31 July 2021 Institution £
Balance b/f	-	-	-	-
Additions	**67,658**	**67,658**	**0**	**0**
Amortisation charge for the year	**0**	**0**	**0**	**0**
Closing balance	**67,658**	**67,658**	**0**	**0**

The addition during the year relates to the purchase of a software intangible asset.

The amortisation period is 5 years.

Notes to the financial statements

for the year ended 31 July 2022

10 Tangible Assets

Tangible assets comprises:	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	**Institution**	Consolidated	Institution
	£	£	£	£
Property, plant, and equipment	3,497,147	3,497,147	1,616,387	1,616,387
	3,497,147	3,497,147	1,616,387	1,616,387

10A Property, plant, and equipment

Consolidated	Leasehold Land and Buildings	Plant and Machinery	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£	£	£	£	£
Cost or valuation					
At 1 August 2021	649,210	492,891	1,174,740	0	2,316,841
Additions	21,659	372,175	5,607	1,917,632	2,317,073
At 31 July 2022	**670,869**	**865,066**	**1,180,347**	**1,917,632**	**4,633,914**
Consisting of valuation as at:					
	-	-	-	-	0
Cost	670,869	865,066	1,180,347	1,917,632	4,633,914
	670,869	**865,066**	**1,180,347**	**1,917,632**	**4,633,914**
Depreciation					
At 1 August 2021	122,091	175,383	402,980	-	700,454
Charge for the year	85,368	106,609	244,336	-	436,313
At 31 July 2022	**207,459**	**281,992**	**647,316**	-	**1,136,767**
Carrying amount					
At 31 July 2021	**463,410**	**583,074**	**533,031**	**1,917,632**	**3,497,147**
At 31 July 2022	527,119	317,508	771,760	0	1,616,387

Institution	Leasehold Land and Buildings	Plant and Machinery	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
Cost and valuation					
At 1 August 2021	649,210	492,891	1,174,740	0	2,316,841
Additions	21,659	372,175	5,607	1,917,632	2,317,073
At 31 July 2022	**670,869**	**865,066**	**1,180,347**	**1,917,632**	**4,633,914**
Consisting of valuation as at:					
	-	-	-	-	0
Cost	670,869	865,066	1,180,347	1,917,632	4,633,914
	670,869	**865,066**	**1,180,347**	**1,917,632**	**4,633,914**
Depreciation					
At 1 August 2021	122,091	175,383	402,980	-	700,454
Charge for the year	85,368	106,609	244,336	-	436,313
At 31 July 2022	**207,459**	**281,992**	**647,316**	-	**1,136,767**
Carrying amount					
At 31 July 2022	**463,410**	**583,074**	**533,031**	**1,917,632**	**3,497,147**
At 31 July 2021	527,119	317,508	771,760	0	1,616,387
Leased assets included above:					
Carrying amount					
At 31 July 2022	**179,495**	**314,318**	**85,343**	-	**579,156**
At 31 July 2021	214,364	-	129,110	-	343,474

Consolidated fixtures, fittings and equipment include assets held under finance leases as follows:

	Year Ended 31 July 2022	Year Ended 31 July 2021
	£	£
Cost	810,191	495,873
Accumulated depreciation	(152,399)	(74,145)
Charge for year	(78,636)	(78,254)
Carrying amount	579,156	343,474

11 Non-Current Investments

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	**Institution**	Consolidated	Institution
	£	**£**	£	£
Investment in subsidiaries (c)	**-**	**100**	-	100
	-	**100**	-	100

Details of investments in which the consolidated and Institution (unless indicated) hold 20% or more of the nominal value of any class of share capital are as follows:

Company	**Principal Activity**	**Status**	**Holding**	**Registered office**
UA92 Old Trafford	Dormant	100% owned	Ordinary shares	Bailrigg House, Lancaster, UK

(c) Investment in subsidiary	**Year ended 31 July 2022**		Year ended 31 July 2021	
	Consolidated	**Institution**	Consolidated	Institution
At cost less impairment:	**£**	**£**	£	£
At 1 August 2021	**100**	**100**	100	100
At 31 July 2022	**100**	**100**	100	100

12 Stock

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	**Institution**	Consolidated	Institution
	£	**£**	£	£
Stock of merchandised goods	**4,770**	**4,770**	6,071	6,071
	4,770	**4,770**	6,071	6,071

13 Trade and other receivables

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	**Institution**	Consolidated	Institution
	£	**£**	£	£
Amounts falling due within one year:				
Other trade receivables	**159,594**	**159,594**	62,723	62,723
Other receivables	**1,458**	**1,458**	1,458	1,458
Prepayments and accrued income	**152,923**	**152,923**	98,123	98,123
	313,975	**313,975**	162,304	162,304

14 Creditors : amounts falling due within one year

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	**Institution**	Consolidated	Institution
	£	**£**	£	£
Obligations under finance leases	**294,518**	**294,518**	137,366	137,366
Trade payables	**195,189**	**195,189**	270,107	270,107
Social security and other taxation payable	**1,449**	**1,449**	52,488	52,488
Other creditors	**0**	**0**	14,967	14,967
Accruals and deferred income	**2,509,809**	**2,509,809**	1,388,075	1,388,075
Amounts owed to related parties	**14,283**	**14,283**	57,081	57,081
	3,015,248	**3,015,248**	1,920,084	1,920,084

Interest is paid and received on the inter-company balances help between the parent and subsidiary at a rate of Base Rate plus 2.5%.
All intercompany balances were cleared in the current year; hence no interest was received.

Deferred income

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	Year ended 31 July 2022		Year ended 31 July 2021	
	Company	**Group**	Company	Group
	£	**£**	£	£
Grant income	**616,014**	**616,014**	249,347	249,347
Other income	**62,979**	**62,979**	0	0
	678,993	**678,993**	**249,347**	**249,347**

15 Creditors : amounts falling due after more than one year

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	**Institution**	Consolidated	Institution
	£	**£**	£	£
Deferred income	**1,923,912**	**1,923,912**	539,931	539,931
Obligations under finance lease	**130,909**	**130,909**	150,398	150,398
Unsecured loans	**3,750,000**	**3,750,000**	2,250,000	2,250,000
	5,804,821	**5,804,821**	2,940,329	2,940,329

The shareholder loans are unsecured, and the loan attracts 0% interest.

16 Loans

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	**Institution**	Consolidated	Institution
Analysis of secured and unsecured loans:	**£**	**£**	£	£
Due within one year or on demand (Note 23)	**0**	**0**	0	0
Due between one and two years	**0**	**0**	0	0
Due between two and five years	**0**	**0**	0	0
Due in five years or more	**3,750,000**	**3,750,000**	2,250,000	2,250,000
Due after more than one year	**3,750,000**	**3,750,000**	2,250,000	2,250,000
Total secured and unsecured loans	**3,750,000**	**3,750,000**	2,250,000	2,250,000

17 Cash and cash equivalents

Consolidated	At 1st August 2021 £	Cash Flows £	At 31st July 2022 £
Cash and cash equivalents	726,122	(266,073)	**460,049**
	726,122	(266,073)	**460,049**

18 Consolidated reconciliation of net debt

	31 July 2022 £
Net debt 1 August 2021	1,811,642
Movement in cash and cash equivalents	266,073
New finance leases and unsecured loans	1,637,663
Net debt 31 July 2022	**3,715,378**
Change in net debt	1,903,736

Analysis of net debt:	31 July 2022 £	31 July 2021 £
Cash and cash equivalents	**460,049**	**726,122**
Borrowings: amounts falling due within one year		
Obligations under finance leases	294,518	137,366
Derivatives		
	294,518	**137,366**
Borrowings: amounts falling due after more than one year		
Obligations under finance lease	130,909	150,398
Unsecured loans	3,750,000	2,250,000
	3,880,909	**2,400,398**
Net debt	**3,715,378**	**1,811,642**

19 Lease obligations

Total rentals payable under operating leases:	Land and Buildings	Plant and Machinery	Total	31 July 2021
Consolidated and institution	£	£	£	£
Payable during the year	**0**	**8,610**	**8,610**	0
Future minimum lease payments due:				
Not later than 1 year	**787,034**	**25,829**	**812,863**	1,643,750
Later than 1 year and not later than 5 years	**4,558,102**	**43,049**	**4,601,151**	2,465,626
Later than 5 years	**0**	-	**0**	
Total lease payments due	**5,345,136**	**68,878**	**5,414,014**	4,109,376

20 Related party transactions

Due to the nature of the Institution's operations and the composition of its Council (being drawn from local public and private sector organisations) and Senior Leadership Team, it is inevitable that transactions will take place with organisations in which a member of Council or the Senior Leadership Team may have an interest. All such transactions are conducted at arm's length and in accordance with the Institution's financial regulations and normal procurement procedures. The Institution has taken advantage of the exemption within FRS 102 Section 33 'Related Party Disclosures' and has not disclosed transactions with other wholly owned group entities.

	31st July 2022		31st July 2021	
	Expenditure to related party	Balance due to related party	Expenditure to related party	Balance due to related party
	£	£		
Lancaster University	**103,715**	**14,283**	153,271	57,081
	103,715	**14,283**	153,271	57,081

Lancaster University
Expenditure relates to supplier invoices processed through the accounts payable system

21 Events after the reporting period

On the 5 August 2022 the leading commercial property company, Bruntwood, partnered with UA92 investing £1.25m into UA92 in exchange for 1,250,000 'A2' £1 Ordinary Shares. Bruntwood has a strong track record of actively collaborating with a broad range of partners to bring about real change in the communities it operates within. This commitment to UA92 is the latest partnership which highlights Burntwood's ongoing focus on skills development.

At the same time as the Bruntwood investment in 1,250,000 new 'A2' £1 Ordinary Shares was made, Lancaster University applied for a further 2,500,000 'B' £1 Ordinary shares in satisfaction of the £2.5m loan it was owed. Furthermore, the original £1 'A' ordinary shares were redesignated as 'A1' £1.0 Ordinary and the Class of 92 applied for a further 1,250,000 'A1' £1 Ordinary Shares in satisfaction of the £1.25m loan they were owed. At end of the transactions 13,000,000 Ordinary shares were in issue, comprising:

5,250,000 'A1' £1 Ordinary Shares – Held by the Class of 92 and their Associates
1,250,000 'A2' £1 Ordinary Shares – Held by Bruntwood Limited
6,500,000 'B' £1 Ordinary Shares - Held by Lancaster University