University Academy 92 Limited
Annual Report and Financial Statements
Year ended 31 July 2024

Company number: 11064939

University Academy 92 Limited

Contents

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:	Chief Executive Officer
CG Oglesby:	Shareholder Representative
S Bradley:	Shareholder Representative (Appointed 1st September 2024)

Senior Leadership Team

SE Prowse:	Chief Executive Officer ('CEO')
G Pritchard:	Chief Academic Officer ('CAO')
M Rimmer:	Chief Finance Officer ('CFO')
I Turner:	Chief of People and Place ('CPO')
G Smith:	Chief of Strategy and Student Experience ('CSO')

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) and NatWest (Manchester)

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 'Institution' or 'UA92') for the year ended 31 July 2024.

The Institution is a joint venture between Lancaster University and several individual shareholders drawn from former Manchester United footballers' the 'Class of 92' and their associates. In August 2022, the leading commercial property company, Bruntwood, also partnered with UA92 with the investment of £1.25m in ordinary shares. The Institution provides education services and awards Lancaster University degrees. The Institution 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 Institution'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, liquidity and EBITDA. Other important metrics include student and staff satisfaction.

As would be expected in an early-stage business, the Board meet on a regular basis to support and engage the CEO and the 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 Institution are considered at all meetings of the Board.

In the year under review, year 5 of the strategic plan, the business has not performed in line with the Board of Directors ('Board') expectations. Despite achieving UK student recruitment targets, the business did not recruit the anticipated international numbers which we believe are important to provide a culturally diverse environment across UA92. The International shortfall was primarily the result of a sector-wide reduction in international student numbers which impacted our planned intake by c200 students. Broadly, our assessment is that the impact of international recruitment has put back our growth plans by twelve months. We have now re-set our financial plans, and our longer-term trajectory and our growth ambitions remain un-changed.

Mission, Vision, Philosophy

Mission: To change lives by making Higher Education accessible to all and to meet the skills and talent needs of industry.

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 personal development journey to prepare them 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 employed an average of 141 people throughout the year. This was made up of 57 permanent academic staff and 84 administrative. We also employ external academics on a part-time basis where appropriate.

During the current year UA92 enrolled 490 students across our multiple entry points. UA92's student population includes 68% domestic higher education students, 32% international students.

There was no new equity investment during the year. However, short-term shareholder support was received in the financial year totalling £1.2m. This was fully repaid to shareholders by the year-end. Our total shareholder investment therefore remains in line with the prior year at £14m with £13m invested as share capital and the remainder as a long-term loan. The Institution has net liabilities of £3.3m (2023: £1.0m).

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. We hold an overall 'Silver' rating in the Teaching Excellence Framework (TEF). Our degrees are awarded by Lancaster University.

Stakeholders

UA92 has many stakeholders including:

- **Current, future and past students.** We are now building our Alumni network following the graduation of our first three classes since 2022.

- **Staff:** The senior leadership team are named on page 3. UA92 have colleagues who are members of the University and College Union, National Education Union and Unison.

- **Employers we work with:** We are proud to work with over 100 Industry partners, some of the brightest and best brands in the Digital, Business, Media, and Sporting Sectors. Our industry partners not only co-develop our curriculum but are an integral part of the learning experience. Our industry partners include global brands such as Microsoft, KPMG, Ernst and Young and Manchester United as well as some of the largest businesses in the Greater Manchester region. We continue to have active discussions to bring on more partners as we continue to grow our student base.

- **Lancaster University:** Our primary shareholder and academic partner.

- **The wider college community:** Colleges and Schools across Greater Manchester and the North-west of England.

- **Local Government:** Trafford Council, Salford City Council and the Greater Manchester Combined Authority.

- **Creditors:** Various suppliers including our landlord, advisors and outsourced arrangements.

- **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 pronouncements on public benefit. UA92 provides identifiable public benefits through the advancement of education to students, of which 18% of those under 21 come from the lowest participation quintile (POLAR4 Quintile 1). The 18% for POLAR 4 Quintile 1 is more than 1.4 times the sector average of just under 13%.

UA92 offers a generous support package worth a minimum of £5000 to students who have previously been in receipt of free school meals, our "Make it For Real" program provides them with a laptop, free data allowance, free transport to UA92, free lunch and a home voucher. UA92 also has a £5000 "Reboot" package for those impacted by unemployment or who are in receipt of Universal Credit.

In addition, since 2023, UA92 have also offered further bursaries as we continue to develop our support offering for students:

- **Greatness Unlocked Bursary:** Provides financial support equal to the cost of free tuition to two students for the length of their course.

- **Moulding Foundation Bursary:** In July 2023, the Moulding Foundation announced they would gift £0.25m to the charity, Foundation 92 to provide 25 bursaries to students from across Greater Manchester during the completion of their UA92 courses. We are grateful for their support and their commitment to Greater Manchester students.

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

We also offer an increasing range of Apprenticeship and Bootcamp courses which also support Greater Manchester businesses in developing and up-skilling talent for the benefit of the local economy.

DEVELOPMENT AND PERFORMANCE

Despite a difficult sector backdrop, UA92 continues to demonstrate strong revenue growth across all key revenue streams (Home under-graduate, International under-graduate and Apprenticeship). Total revenue has increased by 26% to £11.8m with the student body increasing from 752 to 934 (24% increase).

Developments

Revenue growth has been driven across all of our key product areas. In particular, a strong Greater Manchester brand presence has driven growth in home tuition fees of £1.6m (41%) on prior year. Our international tuition fees grew by £0.7m (17%) on prior year despite market challenges. In addition, our Apprenticeship, Bootcamp and B2B revenues showed combined growth of £0.4m (54%) as these areas become an increasingly important component of our growth ambitions.

As a result of sustained growth in recent years, we have now outgrown our Old Trafford site and we opened our second site in September 2023 in the form of the UA92 Business School. This is based near Spinningfields at the heart of the Manchester business community. The development of the Business School has involved £0.6m of capital investment in the year with a further £0.7m operating cost investment. The Business School will support our student growth for the next 2-3 years and will cater for over 1,000 students once at full capacity.

Our partnership with Lancaster University is something we are extremely proud of and it is this association which has always assured the quality of our degree programmes. However, we are also proud of the teaching excellence which we are developing independently as UA92. Our development in this area was rewarded during the year as we achieved Silver status in the Government's "Teaching Excellence Framework" (TEF). We are the youngest institution to receive a Silver TEF rating.

As well as achieving growth and enhancing the quality of our academic provision, we also continue to drive improving student experience as we continue to focus on our core mission of making education accessible to all. Our most recent National Student Survey results returned excellent teaching (85%), academic support (90%) and student support (91%). We believe these results demonstrate the value UA92 places on a personalised experience and a focus on personal development.

Our Apprenticeship provision is also becoming an increasingly important part of our strategic growth journey. During the year, Ofsted completed a successful monitoring visit which demonstrated reasonable or significant progress in all key areas. We believe this is an early milestone in building a market-leading Apprenticeship offer and this will become an increasingly important element of further growth.

We continue to receive the full support of our shareholder group who continue to support our growth. Our focus now moves to optimising our existing assets and moving into profit and cash generation as we continue to grow the student base.

Financial Results/Performance

Our student intake in 2023-24 of 490 students took the total number of students on campus up to 934. This was lower than expected with the sector-wide International shortfall impacting our recruitment by c200 students. Despite the International shortfall, the total student body increased by 24%.

The Financial Statements are set out on pages 32-48 and comprise the Institution Statements of Changes in Reserves, Comprehensive Income, Financial Position and the Statement of Cash Flows.

Income arising in the period included: Tuition fees £10.1m (2023: £7.9m), Grants £0.6m (2023: £0.7m) and other income of £1.1m (2023: £0.8m). Total income has therefore increased from £9.3m to £11.8m (27%).

As our student numbers grow, we continue to invest in staffing and other areas to ensure that we continue to maintain our personalised student experience and this has led to overall expenditure increasing to £14.1m (2023: £10.9m). Expenditure for 2024 includes a number of one-off items totalling £1.2m (See Note 24). Like-for-like costs have therefore increased from £10.9m to £12.9m of which £1.1m relates to depreciation (2023: £0.8m) following capital investment in recent years.

This has led to a reported loss before tax for the year of £2.3m (£1.1m underlying loss once adjusting for one-off items). On an underlying basis, performance has therefore improved by £0.5m versus the prior year loss before tax of £1.6m.

As a business we use EBITDA as a key performance metric. This is defined as Earnings Before Interest, Tax, Depreciation and Amortisation. We also consider “Underlying EBITDA” which adjusts for one-off items or those which are exceptional in nature. Note 24 gives further detail on these calculations.

An underlying loss before tax of £1.1m equates to a like-for-like break-even EBITDA position compared to a £0.7m EBITDA loss in the prior year. It is this underlying improvement which gives the Board confidence that continued growth will lead to sustained EBITDA and net cashflow generation in the next 12 months. The majority of capacity investment is now complete, and the focus now moves to building the student body through continued strong recruitment.

Cash flows and liquidity

The year-end cash position was £2.0m overdrawn (2023: £0.6m cash), we also had access to funds of over £1m, ensuring compliance with the OfS 30-day liquidity target. The cash outflow included costs of investment in the Old Trafford and Business School sites (£1.2m) as well as investment in a new CRM system during the year (£0.5m) which will further improve our student recruitment efficiency going forward.

The majority of capital spend is now behind us which means the focus is now on driving profitability and cashflow as we fill capacity at the Business School.

The shareholders have continued to support the Institution in the form of short-term loans during the year and the Institution has been compliant with the OfS 30 days liquidity target throughout the year. The Institution is funded through a combination of equity, shareholders loans, finance leases and bank debt.

Our bank debt consists of a £2.5m overdraft facility which has been secured with Natwest during the financial year. This will support our working capital requirements as we continue to grow the Institution. As a growing Institution, we face the challenge of making significant investment at the start of the academic year followed by a large proportion of student income being received at the end of the academic year. The support shown by Natwest will be invaluable to us going forward and we look forward to developing this partnership as we continue to grow.

Reserves

The loss for the year of £2.3m (2023: £1.6m) has been taken to reserves.

UA92 does not currently have a formal Dividend Policy with the current focus being on profit and cashflow generation.

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	2023/24	2022/23
Student number targets	**934**	**752**
UK Student achievement/progression	**84%**	**77%**
Good Hons	**57%**	**70%**
Cash Liquidity days	**47 days**	**80 days**
Loss for the year (Reported)	**£2.28m**	**£1.57m**
Loss for the year (Adjusted for one-off items)*	**£1.07m**	**£1.57m**
EBITDA (Adjusted for one-off items)*	**£0.13m**	**(£0.67m)**

*See Note 24 for further detail.

FUTURE PROSPECTS

Future developments

Significant capital investment has taken place at UA92 over the last few years with development of the Digital Academy, enhanced gym facilities and our new Business School. In addition, our operating expenditure has also been focussed on ensuring quality academic staff and student support is in place as we continue to grow. We now believe the fundamentals are in place in terms of infrastructure, staffing, academic quality and student experience. Our focus is now on ensuring we continue to grow our student body to 2,000 students over the next two years as we fill capacity at our existing sites.

We will also focus on developing our other income streams. Most notably, our Apprenticeship offer will be enhanced as we continue to target growth in this area.

This will ensure EBITDA and net cashflow generation is achieved in the short-term as we optimise our resources, grow our student base and focus on financial efficiency. Our ambition is to then re-invest the proceeds of growth back into the student experience in Greater Manchester.

Financial plan

In the year, the Directors approved the financial plan which sets our objectives and financial targets for the 2024-25 academic year. The expectation is that during that year the business will become profitable as we transition from our start-up phase and prepare for further growth.

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 of Corporate Governance.

The risk register is reviewed by the Audit and Risk Committee which is attended by Board members. Any significant issues are escalated to the full Board by the Chair of 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 Institution's control, and other factors besides those listed below may also adversely affect the Institution.

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 continue to support the business through guarantees and working capital support when needed. We have invested into the Finance function with a number of senior hires focussed on driving improvements to our forecasting accuracy, risk management and cash management processes.
As an early stage business, 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.	Detailed management review counters the risk of manual data processes. The level of manual intervention will be reduced significantly as

		our new CRM tool comes online across the business.
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.

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 with the most recent benchmark data (2023/24) showing that UA92 had 17% compared to 16% 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 provides:

- 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 cater for and attract more disabled students, particularly those with more complex needs.

UA92 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 Institution is now reaching the end of its start-up phase and consequently the financial statements reflect a position where we continue to invest in recruiting students and developing a strong, capable workforce. Revenues are growing as a result of this investment.

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 and external banking facilities.

Management have performed a going concern assessment covering 12 months from the date of 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 indicate that there are plausible scenarios where further short-term working capital could be required. The shareholders have reviewed this analysis and 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 clearly demonstrated their support over recent years with a total of £14m currently invested into UA92.

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 Institution’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 Institution 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 Institution'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 Institution's auditors are aware of that information.

Approved by order of the Board of Directors on 18th December 2024 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 2023 to 31 July 2024 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 2023/24
GA Neville	27 June 2018	N/A*	-		4
AJ Schofield	4 August 2020	N/A*	-		7
MJ Millard (Chair)	21 May 2019^	3 years	-	Remuneration, Audit	7
GJ Wilson	21 May 2019^	3 years	-	Remuneration, Audit	6
SE Prowse	10 May 2021	N/A*	-	#	7
CG Oglesby	5 August 2022	N/A*	-		4
S Bradley	1 September 2024	N/A*	-		6

* As shareholders there is no period of appointment.
# Attends Remuneration and Audit Committee by invitation.
^ Terms of office were renewed on 1 March 2022 for a further three-year period until 28th February 2025.

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 KPIs, 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. A Property committee was also set up in 2022 to support our strategic growth ambitions going forward. Full minutes of all meetings are retained by the CEO.

A register of financial and personal interests of the Directors is maintained.

All Directors can take independent professional advice in furtherance of their duties at the Institution’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 Accountable 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 in the year.

The Board is committed to development and has drawn upon support from colleagues at Lancaster University and an external consultant in the past and will consider external review not less than 3 years from the last external review.

Remuneration Committee

Throughout the year ending 31 July 2024 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 2024 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 Institution’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, Ofsted 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 Institution 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 Accountable 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 2024. The members of the committee and their attendance records are shown below:

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

As a matter of course, the CEO, CFO, 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 misstatement or loss. The following processes have been established by the Board and have been in place for the year ended 31 July 2024 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 Institution'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 Institution.
- 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 Institution'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 Institution.
- 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 Institution'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 18th December 2024 and signed on its behalf by:

MJ Millard OBE	G Pritchard
Chair	Chief Academic Officer (Accountable 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 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 including Financial Reporting Standard 102 ('FRS102') and the Statement of Recommended Practice ('SORP') for Further and Higher Education (2019 edition). 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 Institution and of the profit or loss of the Institution 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;
- state whether United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 ('FRS102') and the Statement of Recommended Practice ('SORP') for Further and Higher Education (2019 edition) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Institution will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Institution's transactions and disclose with reasonable accuracy at any time the financial position of the Institution 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 Institution and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors is responsible for the maintenance and integrity of the corporate and financial information on the Institution's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm that to the best of their knowledge the auditors have been made aware of all relevant information and matters.

Approved by order of the Board on 18th December 2024 and signed on its behalf by:

MJ Millard OBE	G Pritchard
Chair of governors	Chief Academic Officer (Accountable Officer)

Independent auditor’s report to the board of UNIVERSITY ACADEMY 92 Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Institution’s affairs as at 31 July 2024 and of the Institution’s income and expenditure, gains and losses, changes in reserves and of 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”) for the year ended 31 July 2024 which comprise Institution statement of changes in reserves, Institution statement of comprehensive income, Institution statement of financial position, Institution statement of cashflows, statement of principal accounting policies and notes to the financial statements. 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 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 relating to going concern

We draw attention to Accounting Policy 3 to the financial statements which indicates that the Institution is reliant on the shareholders for further funding, which is not legally binding. As stated in Accounting Policy 3, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Institution’s ability to continue as a 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.

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

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 have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of 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 notes 1 and 2 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 University 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 Institution 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 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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Institution and the sector in which it operates;
- Discussion with management, those charged with governance and audit & risk committee;
- Obtaining and understanding of the Institution's policies and procedures regarding compliance with laws and regulations;
- Direct representation from the Accountable Officer.

We considered the significant laws and regulations to be Financial Reporting Standard 102, the Companies Act 2006, the Statement of Recommended Practice: Accounting for Further Education and Higher Education (FEHE SORP 2019), the OfS' Accounts Direction (OfS 2019.41) and UK tax legislation.

The Institution is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, registration with the Office for Students and their ongoing conditions of registration.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management, those charged with governance and audit & risk committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Institution's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;

- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting inappropriate journals to manipulate financial results, management bias in accounting estimates and incorrect recognition of income throughout the period.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including useful economic lives of property, plant and equipment, recoverability of debtors and valuation of provisions; and
- Testing a sample of income by agreeing to supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

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 Institutions 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:

Sarah Anderson

911B7AE40D374FC...

Sarah Anderson (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Manchester, UK

18 December 2024

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

Institution Statement of Changes in Reserves
Year ended 31 July 2024

	Income and expenditure reserve	Called up share capital	Total
	Unrestricted		
	£'000s	**£'000s**	**£'000s**
Balance at 1 August 2022	**(12,477)**	**8,000**	**(4,477)**
Share Issue		5,000	5,000
(Deficit) for the year	(1,572)		(1,572)
Total comprehensive (deficit)/ income for the year	(1,572)	5,000	3,428
Balance at 1 August 2023	**(14,049)**	**13,000**	**(1,049)**
(Deficit) for the year	(2,276)		(2,276)
Share Issue			-
Total comprehensive (deficit) for the year	(2,276)	-	(2,276)
Balance at 31 July 2024	**(16,325)**	**13,000**	**(3,325)**

Institution Statement of Comprehensive Income
Year Ended 31 July 2024

	Notes	**Year ended 31 July 2024**	Year ended 31 July 2023
		£'000s	£'000s
Income			
Tuition fees and education contracts	1	**10,148**	7,872
Funding body grants	2	**565**	690
Other income	3	**1,071**	769
Total income		**11,784**	9,331
Expenditure			
Staff costs	4	**6,926**	4,765
Other operating expenses	6	**5,783**	5,239
Depreciation and amortisation	9 and 10a	**1,188**	815
Interest and other finance costs	5	**163**	84
Total expenditure		**14,060**	10,903
(Deficit) before tax		**(2,276)**	(1,572)
Taxation	8	**-**	-
(Deficit) for the year		**(2,276)**	(1,572)
Total comprehensive deficit for the year		**(2,276)**	(1,572)
Represented by:			
Unrestricted comprehensive deficit for the year		**(2,276)**	(1,572)
Attributable to the Institution		**(2,276)**	(1,572)
		(2,276)	(1,572)

All items of income and expenditure relate to continuing activities.
The accompanying notes and policies on pages 36 to 48 form part of these financial statements.

Institution Statement of Financial Position

	Notes	As at 31 July 2024	As at 31 July 2023
		£'000s	£'000s
Non-current assets			
Intangible assets	9	**619**	110
Tangible assets	10	**4,252**	3,567
Investment in subsidiaries	11	**-**	-
		4,871	3,677
Current assets			
Stock	12	**51**	59
Trade and other receivables	13	**2,446**	971
Cash at bank	17	**280**	583
		2,777	1,613
Less: Creditors;			
amounts falling due within one year	14	**(8,233)**	(3,759)
Net current (liabilities)		**(5,456)**	(2,146)
Total assets less current liabilities		**(585)**	1,531
Creditors: amounts falling due after more than one year	15	**(2,740)**	(2,580)
Total net liabilities		**(3,325)**	(1,049)
Unrestricted Reserves			
Income and expenditure reserve - unrestricted		**(16,325)**	(14,049)
Called up share capital		**13,000**	13,000
		(3,325)	(1,049)
Total Reserves(deficit)		**(3,325)**	(1,049)

The financial statements were approved by the Governing Body on 18th December 2024 and were signed on its behalf on that date by:

Sara Prowse, CEO

G.M. P

Gary Pritchard,CAO

The accompanying notes and policies on pages 36 to 48 form part of these financial statements.

Institution Statement of Cash Flows

Year ended 31 July 2024

	Notes	**Year Ended 31 July 2024**	Year Ended 31 July 2023
		£'000s	£'000s
Cash flow from operating activities			
(Deficit) for the year before tax		**(2,276)**	(1,572)
Adjustment for non-cash items			
Donations received		**-**	(54)
Depreciation and amortisation	9 and 10a	**1,188**	815
Loss on disposal		**-**	104
Decrease/(increase) in stock	12	**8**	(15)
(Increase) in debtors	13	**(1,478)**	(688)
Increase in creditors	14	**1,692**	1,022
Increase in bad debt provision		**3**	31
Adjustment for investing or financing activities			
Interest payable	5	**163**	84
Capital grant income	2	**(494)**	(617)
Cash flows from operating activities		**(1,194)**	(890)
Taxation	8	-	-
Net cash outflow from operating activities		**(1,194)**	(890)
Cash flows from investing activities			
Proceeds from sales of tangible assets		**-**	25
Payments made to acquire tangible assets	10	**(237)**	(797)
Payments made to acquire intangible assets	9	**(581)**	(61)
		(818)	(833)
Cash flows from financing activities			
Interest element of finance leases	5	**(128)**	(84)
Share Issue	22	**-**	1,250
New concessionary loans		**-**	1,050
New unsecured loans		**300**	-
Repayments of finance leases		**(703)**	(370)
		(531)	1,846
(Decrease)/increase in cash and cash equivalents in the year		**(2,543)**	123
Cash and cash equivalents at beginning of the year		**583**	460
Cash and cash equivalents at end of the year		**(1,960)**	583

Statement of Principal Accounting Policies
for the year ended 31 July 2024

1 Accounting convention

The Institution's 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 FRS 102. Additionally, the financial statements conform to the guidance published by the Office for Students.

2 Basis of preparation

The Institution's financial statements have been prepared under the historical cost convention.

The Institution continues to adopt the going concern basis of accounting in preparing the annual financial statements.

3 Going concern

The Directors have prepared the financial statements on the going concern basis of accounting. The Institution is now reaching the end of its start-up phase and consequently the financial statements reflect a position where the Institution continues to invest in recruiting students and developing a strong, capable workforce. Revenues are growing as a result of this investment.

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 and bank.

The Directors have performed a going concern assessment covering 12 months from the date of signing the financial statements, by preparing forecasts (including cash forecasts) that look at the financial position of the Insitution. The 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 results of the above scenario analysis indicate that there are reasonable and plausible downturn scenarios where further short-term working capital will be required. The shareholders have reviewed this analysis and 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 clearly demonstrated their support over recent years with a total of £14m currently invested into UA92.

As the Institution is reliant on the shareholders for further funding, which is not guaranteed, this indicates that a material uncertainty exists which may cast significant doubt on the Institution's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. 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 Institution was unable to continue as a going concern.

4 Exemptions under FRS 102

The Insitution has taken advantage of the exemption under section 9.9A of FRS 102 not to consolidate its only subsidiary on the grounds that its inclusion in the consolidated accounts is not material for the purpose of giving a true and fair view.

5 Income recognition

Income from the sale of goods or services is credited to the Institution 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 Institution 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 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 or on another systematic basis if more appropriate.

9 Foreign currency

Transactions in foreign currencies are translated to the functional currency 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.

Dilapidation provisions on leasehold properties are depreciated over the length of the period between the date the leasehold improvements are made and the end of the lease.

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.

Internally Generated Software

Internally generated software development is capitalised where a new asset has been created that will deliver future economic benefits.

Development expenditure will only be capitalised from then point at which technical,commercial and financial viability of an individual project has been positively assessed to deliver future economic benefit and approved for development and implementation. This will therefore not include costs associated with the research phase of an internal software development project such as feasibility studies or market research which are expensed as incurred.

Development is deemed to end when the application is released into use and any other development expenditure is deemed to be continuous improvement and would not be capitalised unless it contributes to a significant increase in the economic value of the asset. A review for impairment of software development costs is carried out if circumstances change and provision is made for any impairment.

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 financial statements.
Investments are held in the Statement of Financial Position as basic financial assets and are measured in accordance with accounting policy note 19.

13 Stock

Stock is valued at lower of cost and net realisable value.

14 Cash and cash equivalents

Cash includes cash in hand.

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 where this is considered material.

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.

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 Institution'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.

Intangible and 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.

Recoverability of debtors- The provision for doubtful debts is based on our estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the customers, the age profile of the debt and the nature of the amount due.At 31 July 2024, the total provision for debtful debts was £34k (31 July 2023: £31k).

19 Financial Instruments

The Institution has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition,measurement and disclosure of financial instruments.

Financial Assets

Basic financial assets include trade and other receivables,cash and cash equivalents. These assets are initially recognized at transaction price and are assessed for indicators of impairment at each Statement of Financial Position date. If there is objective evidence of impairment,an impairment loss is recognized in the Statement of Comprehensive Income. Financial assets are de-recognised when the contractual right to the cashflows from the asset expire or substantially all the risks and rewards of the ownership of the asset are transferred to another party. The Insitution has no assets which are valued using the amortised cost method.

Financial Liabilities

Basic financial liabilities include trade and other payables.These liabilities are intially recognized at transaction price.The Insitution applies the provisions of FRS 102 (PBE 34.87-34.97) when accounting for shareholder loans.As a result,the loans are initially recorded at cost and carry no interest rate. The loans are treated as non-current liabilities based on shareholder expectations on repayment dates. The Institution has no other liabilities which are valued using the amortised cost method.

		Notes	**Year Ended 31 July 2024**	Year Ended 31 July 2023
1	**Tuition fees and education contracts**	Notes	**£000s**	£'000s
	Full-time home and EU students		**5,457**	3,870
	Full-time international students		**4,691**	4,002
			10,148	7,872

2	**Funding body grants**			
	Recurrent grant			
	Office for Students		**71**	73
	Specific grants			
	Catalyst grant		**494**	617
			565	690

Income from capital grants includes £494,000 in respect of capital grants released in the year (2022/23: £617,000).

3	**Other income**			
	Donations		**-**	71
	Other income		**1,071**	698
			1,071	769

	Year Ended 31 July 2024 £000s	Year Ended 31 July 2023 £'000s
4 Staff costs		
Staff Costs :		
Salaries	**5,936**	4,070
Social security costs	**608**	426
Other pension costs	**382**	269
Total	**6,926**	4,765

Total remuneration of the head of the institution	**31 July 2024 £000s**	31 July 2023 £'000s
Basic salary	**175**	156
Performance-related pay and other bonuses	**30**	31
Pension contributions	**17**	19
Health Insurance	**1**	0
	223	206

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. In addition to the above cash remuneration, an amount has been accrued in relation to a Long Term (3 Year) Incentive Plan for the CEO. This equates to 100% of base salary and has been included in exceptional items in Note 24. This amount will be paid in the year ending 31st July 2025.

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

Basic salary per annum	**31 July 2024 No.**	31 July 2023 No.
£105,000 - £109,999	1	0
£110,000 - £114,999	0	0
£115,000 - £119,999	0	0
£120,000 - £124,999	0	1
£125,000 - £129,999	1	0
£130,000 - £134,999	0	0
£135,000 - £135,999	1	0
£140,000 - £144,999	1	0
	4	1

Average staff numbers by major category :	**No.**	No.
Academic	57	31
Administrative	84	61
Total number of staff	**141**	92

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.

We strengthened our senior leadership team during the year as we prepare for further student and campus growth.This has led to an increase in the number of higher paid staff.

	Year ended 31 July 2024 £000s	Year ended 31 July 2023 £'000s
Key management personnel compensation	**812**	867

The CEO's basic salary is 4.5 (2023:4.6) 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 5.7 (2023: 5.6) 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 parargraph 12d of OFS accounts direction 19/20 have been adopted.

5 Interest and other finance costs

	Year Ended 31 July 2024 £000s	Year Ended 31 July 2023 £'000s
Bank interest	**35**	-
Finance lease interest	**128**	84
	163	84

Finance costs increased during the year as we secured our first banking facility and we also funded capital investment through finance lease.

6 Analysis of total expenditure by activity

	Year Ended 31 July 2024 £000s	Year Ended 31 July 2023 £'000s
Academic and related expenditure	**1,874**	2,205
Administration and central services	**1,537**	1,521
Premises (including service concession cost)	**2,367**	1,482
Other expenses	**5**	31
	5,783	5,239

The increase in property related costs includes £0.6m relating to the opening of the new Business School.

		Year Ended 31 July 2024 £000s	Year Ended 31 July 2023 £'000s
Other operating expenses include:			
Operating lease rentals			
	Land and buildings	**1,205**	787
	Other	**26**	26
Fees payable to the auditor for the audit of the financial statements		**62**	53
Taxation compliance services		**-**	6
Taxation advisory services		**-**	4

7 Access and Participation

	Year Ended 31 July 2024 £000s	Year Ended 31 July 2023 £'000s
Access Investment	**457**	432
Financial Support	**133**	126
Evaluation and Research	**30**	58
	620	616

£456,691 of Access Investment costs and £29,726 of Evaluation and Research costs are already included in the overall staff costs figures included in note 4 (2023: £432,200).
Access Investment- The amount spent has been higher than planned due to heavy investment in our widening participation and community engagement work.
Financial Support-This has been lower than planned due to UA92 recruited fewer number of students who were eligible for the bursary packages than was projected in our APP.
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

8 Taxation

	Year Ended 31 July 2024 £000s	Year Ended 31 July 2023 £'000s
Recognised in the statement of comprehensive income		
Current tax		
Adjustment in respect of previous years	**-**	-
Current tax refund	**-**	**-**
Deferred tax		
Origination and reversal of timing differences	**-**	-
Reduction in tax rate	**-**	-
Recognition of previously unrecognised tax losses	**-**	-
Deferred tax expense	**-**	**-**
Total tax refund	**-**	**-**

Factors affecting the tax charge
The tax assessed for the year is lower than the standard rate of corporation tax in the UK.

	Year Ended 31 July 2024 £000s	Year Ended 31 July 2023 £'000s
Loss before taxation	**(2,276)**	(1,572)
UK corporation tax at 19% (2023: 19%)	**-**	-
Effect of:		
Previous year adjustment		-
Total tax expense	**-**	**-**

9 Intangible assets

Software	31 July 2024 £000s	31 July 2023 £'000s
Balance b/f	**110**	67
Additions	**581**	61
Amortisation charge for the year	**(72)**	(18)
Closing balance	**619**	110

The additions during the year comprise internal and external spend relating to the development and implementation of a Customer Relationship Management (CRM) system which will improve our student and retention capabilities.

The amortisation period is 5 years.

10 Tangible Assets

Tangible assets comprises:	**31 July 2024**	31 July 2023
	£000s	£'000s
Property, plant and equipment	4,252	3,567
	4,252	3,567

10A Property, plant and equipment

	Leasehold Land and Buildings	**Plant and Machinery**	**Fixtures, Fittings and Equipment**	**Total**
	£000s	**£000s**	**£000s**	**£000s**
Cost				
At 1 August 2023	2,262	1,268	1,748	5,278
Additions	1,004	710	87	1,801
Transfers	-	-	-	-
Disposals	-	-	-	-
At 31 July 2024	**3,266**	**1,978**	**1,835**	**7,079**
Depreciation				
At 1 August 2023	451	289	971	1,711
Charge for the year	402	345	369	1,116
Disposals	-	-	-	-
At 31 July 2024	**853**	**634**	**1,340**	**2,827**
Carrying amount				
At 31 July 2024	**2,413**	**1,344**	**495**	**4,252**
At 31 July 2023	1,811	979	777	3,567

Included within Leasehold land and Buildings additions are £382,000 of estimated dilapidation costs to reinstate the leasehold buildings back to their original condition at the end of the lease period (refer to provision in note 15).

Leased assets included above:				
Carrying amount				
At 31 July 2024	**412**	**696**	**-**	1,108
At 31 July 2023	145	471	42	658

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

	31 July 2024	31 July 2023
	£000s	£'000s
Cost	1,299	1,048
Accumulated depreciation	(18)	(231)
Charge for year	(173)	(159)
Carrying amount	1,108	658

Finance lease arrangements are in place to support building facilities and technology infrastructure in both our sites. Outstanding lease payments total £430,000 (within 12 months) and £227,000 (within 2 to 5 years).

11 Non-Current Investments

	31 July 2024	31 July 2023
	£	£
Investment in subsidiaries	**100**	100
	100	100

Details of investments in which the Institution holds (unless indicated) 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 Limited	Dormant	100% owned	Ordinary shares	University House, Bailrigg, Lancaster, UK

12 Stock

	31 July 2024	31 July 2023
	£000s	£'000s
Stock	**51**	59
	51	59

Stock is consumed on a first in first out basis and primarily relates to sports merchandise.

13 Trade and other receivables

	31 July 2024	31 July 2023
	£000s	£'000s
Amounts falling due within one year:		
Other trade receivables	1,817	482
Other receivables	-	-
Prepayments and accrued income	629	489
	2,446	971

Other trade receivables include £1.1m of student tuition fees which were invoiced before the year-end but where the income relates to the year-ended 31.7.25. Income has not been recognised in relation to these items with a corresponding adjustment made to deferred income (see Note 14).

14 Current liabilities

	31 July 2024	31 July 2023
	£000s	£'000s
Bank overdraft	2,240	-
Other unsecured loans	300	-
Obligations under finance leases	430	216
Trade payables	1,265	402
Social security and other taxation payable	220	10
Accruals and deferred income	3,697	2,669
Amounts owed to related parties	81	462
	8,233	3,759

Amounts owed to related parties are interest free and are repayable on demand.

Current liabilities include the provision of an overdraft facility obtained as we switched banking providers during the financial year. Other unsecured loans of £300k were provided on a temporary basis by a key supplier. Accruals and deferred income includes the offset to early invoices referenced in Note 13. There has been an increase in Trade Payables as we have reached an agreement with our landlord who is also a Shareholder to extend payment terms on a temporary basis.

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.

	31 July 2024	31 July 2023
	£000s	£'000s
Grant income	347	494
Other income	1,323	356
	1,670	850

15 Non-current liabilities

	31 July 2024	31 July 2023
	£000s	£'000s
Deferred income	1,081	1,441
Obligations under finance lease	227	89
Dilapidation provisions	382	-
Concessionary loans	1,050	1,050
	2,740	2,580

The dilapidation provisions are the estimated costs to reinstate the leasehold buildings back to their original condition at the end of the lease period (refer to asset in note 10).

The shareholder loans are treated as Public Entity Concessionary loans and attract 0% interest. They are therefore valued at cost. The loans are expected to be repaid no earlier than May 2026 but the repayment date could be changed at the discretion of the Board. The following related party loans were outstanding at the year end:

	£000s	£'000s
Lancaster University	525	525
Bruntwood	131	262.5
Class of 92	394	262.5
	1,050	1,050

16 Loans

	31 July 2024	31 July 2023
Analysis of concessionary loans:	**£000s**	£'000s
Due within one year or on demand (Note 14)	**-**	-
Due between one and two years	**1,050**	**1,050**
Due between two and five years	**-**	-
Due in five years or more		-
Due after more than one year	**1,050**	**1,050**
Total concessionary loans	**1,050**	**1,050**

17 Cash at bank

	Notes	At 1 August 2023	Cash Flows	At 31 July 2024
		£000s	**£000s**	**£000s**
Cash at bank		583	(303)	**280**
		583	**(303)**	**280**

18 Reconciliation of net debt

	31 July 2024
	£000s
Net debt 1 August 2023	**771**
Movement in cash at bank	303
New finance leases and unsecured loans	2,893
Net debt 31 July 2024	**3,967**
Change in net debt	3,195

Analysis of net debt:	**31 July 2024**	31 July 2023
	£000s	£000s
Cash at bank	**280**	**583**
Borrowings: amounts falling due within one year		
Bank overdraft	2,240	-
Other unsecured loans	300	-
Obligations under finance leases	430	216
	2,970	**216**
Borrowings: amounts falling due after more than one year		
Obligations under finance lease	227	89
Concessionary loans	1,050	1,050
	1,277	**1,139**
Net debt	**3,967**	**772**

19 Lease obligations

	31 July 2024			
Total rentals payable under operating leases:	**Land and Buildings**	**Plant and Machinery**	**Total**	**31 July 2023**
	£000s	**£000s**	**£000s**	**£000s**
Payable during the year	**1,205**	**26**	**1,231**	813
				-
Future minimum lease payments due:				-
Not later than 1 year	**1,718**	**17**	**1,735**	1,095
Later than 1 year and not later than 5 years	**5,522**	**-**	**5,522**	3,506
Later than 5 years	**80**	-	**80**	-
Total lease payments due at 31 July 2024	**7,320**	**17**	**7,337**	4,601

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 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. Please see note 15 for additional disclosure in conjunction with the below.

	31st July 2024		**31st July 2023**	
	Expenditure (to) from related party £000s	**Balance due (to)/from related party £000s**	**Expenditure (to) from related party** £000s	**Balance due (to)/from related party** £000s
Bruntwood - Payable	**(1,890)**	**(645)**	(1,464)	(1,094)
Bruntwood - Receivable	**54**	**25**	-	124
Lancaster University - Payable	**(21)**	**(81)**	(94)	(80)
Lancaster University - Receivable	**1**	**0**	-	-
	(1,856)	**(701)**	(1,558)	(1,050)

Lancaster University and Bruntwood

Expenditure relates to supplier invoices processed through the accounts payable system .

21 Capital and other commitments

	31 July 2024 £000s	31 July 2023 £000s
Provision has not been made for the following capital commitments		
Commitments contracted at 31 July	-	1,279

Capital commitments relate to a range of internally and externally funded refurbishment projects. These projects were completed in the year ended 31 July 2024.

22 Share Capital

	Issued Ordinary Share Number of shares (Allotted and Paid)	Issued Ordinary Share Capital **£000s**
Year ending 31 July 2024		
Balance at beginning of the financial year	13,000,000	13,000
Proceeds from share issue	0	-
Balance at end of the financial year	**13,000,000**	**13,000**
Year ending 31 July 2023		
Balance at beginning of the financial year	8,000,000	8,000
Proceeds from share issue	5,000,000	5,000
Balance at end of the financial year	**13,000,000**	**13,000**

The £13m Ordinary shares in issue are held by the following parties:

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

23 Contingent liabilities

There is a potential £246k of additional dilapidation costs which have not been provided for based on the Directors' assessment of the likelihood of dilapidation costs to reinstate the leasehold properties back to their original condition at the end of the lease period.

24 Reconciliation between statutory deficit for the year and adjusted EBITDA

	Year Ended 31 July 2024 £000s	Year Ended 31 July 2023 £000s
Statutory loss	(2,276)	(1,572)
Add back:		
Business School costs	781	
Exceptional one-off items	429	
Underlying statutory loss	**(1,066)**	**(1,572)**
Add back:		
Depreciation, Amortisation and Interest	1,199	899
Underlying EBITDA	**133**	**(673)**

Underlying statutory loss has reduced to £1.1m versus £1.6m in the prior year.
The reported position has been adjusted for:

Business school costs - primarily relating to the acceleration of rent into the current financial year despite the first year being rent-free on a cash basis. This adjustment essentially reflects the fact that accounting costs have been incurred in the year of opening the Business School but revenue is not yet in place to offset those costs.

Exceptional one-off items - primarily due to one-off leadership bonus costs and severance costs associated with a small number of leadership staff.

Underlying EBITDA, being the key internal measure of performance, has improved year-on-year and reflects the underlying improvement in financial performance associated with revenue growth across all of our key lines. In particular, this demonstrates the profitability which is now in place from our initial Old Trafford campus.

25 Events after the reporting period

The year ending 31.07.24 continued to demonstrate the level of commitment and support provided by shareholders and external finance partners. This support was demonstrated across a range of short-term loans, finance leases and working capital support in what was a difficult year for the sector as a whole. UA92, together with the support of our shareholders and external finance partners, has continued to invest in the new financial year. This has resulted in £1m of temporary working capital support provided in October 2024 and this will be repaid in May 2025. The majority of our technology and infrastructure investment for the 24/25 academic year has been supported by securing a £1m asset finance facility which completed in September 2024.