Annual report and financial statements CEG UFP Limited

For the year ended 31 August 2023

Company no. 06355631

Company information

Company registration number	06355631
Registered office	51-53 Hills Road Cambridge CB2 INT
Directors	J Bayley D Johnston B Webb
Independent auditor	BDO LLP Newton House Cambridge Business Park Cambridge CB4 0WZ

Contents

Strategic report

The directors present their strategic report for CEG UFP Limited ('the company') and its subsidiaries ('the group') for the year ended 31 August 2023.

Principal activities

The principal activity of the group during the year was the provision of ONCAMPUS pathway programmes as part of Cambridge Education Group ('CEG').

The group is a leading UK-based enterprise solution provider to the higher education sector. The group offers critical, high quality academic services, enabling thousands of students to achieve their academic ambitions by:

- helping universities to deliver best-in-class education;
- offering a broad range of courses;
- connecting students to quality international universities;
- preparing students for their international higher education.

Under the ONCAMPUS and Castel brands, the group provides pre-university programmes leading to a wide range of undergraduate and Master's degrees at leading universities across the UK, USA and mainland Europe. Our programmes are designed for international students who do not meet the requirements for direct entry to university study, and benefit from the support we offer in preparing them to progress to their chosen university. Since 2008, we have helped thousands of students progress to the best universities in the UK, USA and Europe.

The underlying principles across all divisions are:

- world-class provision of classroom-based and online teaching in the English language;
- helping students to achieve entry to the best universities according to their aspirations and abilities; and,
- exceptional pastoral care that ensures students' educational experience is also safe, healthy and enjoyable.

Review of the business

The results for the year and financial position of the group are as shown in the financial statements. In the opinion of the directors that state of the group's affairs at 31 August 2023 was satisfactory.

Group revenue increased to £69.3m (2022: £50.8m) due to rapid growth in student volumes at existing centres, successful launch of new centres, and a record demand for its accommodation product following relaxation of restrictions on international travel.

During the year ONCAMPUS launched the first phase of its new long-term partnership with the prestigious Kedge Business School ("ONCAMPUS Paris"). English-language pathway programmes launched at this centre in September 2022 and are expected to drive significant revenue and positive contribution during the contract period, while marking a strategic step for the group as it expands into a new territory. The group signed a new long-term partnership with Loughborough University, one of the UK's leading universities, during the year and welcomed the first intake of new students to its ONCAMPUS Loughborough pathways in September 2023.

On 14 October 2022, the group acquired Unihaven Network International Limited and its subsidiary Unihaven Limited, an Irish medical education pathway provider which has achieved regulatory approval to launch ONCAMPUS Ireland in the following year.

Future developments
The directors intend to continue the group's evolution into an undisputed, leading higher education enterprise solution provider, and as a truly global presence with world-wide partnerships. Continued growth in student volumes through portfolio expansion in pathway offerings is at the heart of the group's near-term and longer-term strategic plans, with an extensive and diversified service offering providing new and existing partner universities with a "one-stop shop" for course outsourcing.

Financial and non-financial key performance indicators
The board and management use the following key performance indicators to monitor the success of the business:

- student volume;
- turnover growth;
- gross margin;
- operating profit;
- signing and launching new partnerships.

During the year:

- student volume grew by 21%;
- turnover increased by 36% to £69.3m;
- gross margin was 60.0% (2022: 60.5%), as the group capitalised on its rapid growth by realising scale economies of scale;
- operating profit rose 58% to £5.8m (2022: £3.7m);
- launched a major new partnerships Kedge Business School ('ONCAMPUS Paris'), signed a new long-term partnership with Loughborough University and achieved regulatory approval to launch ONCAMPUS Ireland in the following year.

Directors' duties under section 172 of the Companies Act 2006
When performing their duties under section 172 of the Companies Act 2006 the directors must have regard to the following considerations:

- the likely consequence of any decisions in the long-term;
- the interests of the group's employees;
- the need to foster the group's business relationships with suppliers, customers and others;
- the impact of the group's operations on the community and environment;
- the desirability of the group maintaining a reputation for high standards of business conduct;
- the need to act fairly as between shareholders of the group.

Set out in the below table is management's assessment of our key stakeholder groups for ONCAMPUS and the wider CEG group, detailing how the board has considered the issues and factors that impact them and how engagement has impacted board decisions and company strategies during the financial year.

Stakeholders	**Significance to the business**	**Examples of engagement**	**Examples of decisions impacted by the engagement**
Shareholders	The board is accountable to its shareholders and must act in a way that is likely to promote the success of the group for the benefit of its members as a whole. The group seeks to maintain effective dialogue with its shareholders, to ensure that their views and any concerns they may have are understood and considered.	Regular monthly board meetings, complemented by separate consideration of relevant issues at meetings of the remuneration committee and audit committee.	Signing of new long-term partnerships with Loughborough University. Closure of ONCAMPUS pathway at Lund University. Part-repayment of group borrowing facilities.
Customers (e.g. university partners)	Delivering a service that meets the needs of our customers in all of the markets in which we operate is fundamental to our success. We help universities to succeed in their online education strategy, and to access business-critical international student recruitment.	University 'partner insights' feedback survey with focus on Net Promoter Score metric, regular university board / steering group meetings.	Broadening of existing partnership with University of Reading to include online, providing an end-to-end enterprise solution.
Students	Students are at the heart of what the group is trying to achieve, and as such we rely heavily on their feedback and evaluation of their learning experiences. The group actively engages students, individually and collectively, in the quality of their educational experience.	Induction surveys, end of programme surveys, representation at centre audits and on relevant committees (e.g. staff-student consultative committees).	Retaining the best elements of delivery identified during Coronavirus disruption. Assessment loads being balanced to reflect the various range of previous learning experienced during Coronavirus. Increases in one-to-one support for students in response to growing mental health issues experienced by the student body.

Stakeholders	Significance to the business	Examples of engagement	Examples of decisions impacted by the engagement
Suppliers (e.g. our agent network)	Strong working relationships with our suppliers is crucial to the effectiveness of our entire operation, enhancing our efficiency and creating value.	Agent surveys, 'familiarisation trips' to allow agents to experience our product first-hand. Development of the agent portal to allow agents to track their application in our Admissions CRM and make conditional offers.	Investment in development of the ONCAMPUS Agent Portal, which significantly improves service levels and efficiency for both agents and CEG.
Employees	Our people, including permanent and temporary workers, engaged as both employees and contractors, are what makes our business what it is. We rely on them to deliver our vision, uphold our values and culture, and to achieve against our strategic priorities, creating long term sustainable value for our shareholders and stakeholders.	Our 'Let's Listen' programme (facilitated by an external provider) is the catalyst for 2-way dialogue and creates forums for improving CEG as a place to work and to achieve. Individual's personal objectives are derived as part of a cascade, aiding alignment with the group's strategic priorities at all levels. A multi-channel communications strategy keeps people informed and supports line managers to deliver.	Review of group agile working policy, allowing most workers to work from home for up to 50% of their scheduled workdays, in consultation with employees. Formalisation of quarterly senior leadership team workshops, hosted by the executive team, to share information and celebrate successes. Increased investment in external training, including creation of CEG leadership programme. Internal learning and development content creation.
Debt providers and banking partners	By providing funds for the group's working capital and general corporate purposes, our debt providers play an important role in our business.	Provision of annual budgets and monthly actual financial information to banking providers, annual senior management team presentation to lenders.	Part-repayment of external borrowing facilities, funded through cash generated from operations.

Principal risks and uncertainties

In common with other businesses of a similar nature, the group is exposed to a variety of risks and uncertainties. The directors believe the principal risks are:

- impact of changes in immigration policies and visa application processes;
- global reduction in international movement of students;
- adverse movements in interest and exchange rates; and,
- significant disruption in the trading ability of the group due to one-off global and macro-economic events.

The policies and procedures in place to monitor and manage these risks include:

- investing and operating in more than one country to disaggregate the geographical, political and currency risks;
- operating business in a number of different but related market segments; and,
- employing staff, consultants and professional advisers with appropriate competences to mitigate both current and foreseeable business risks.

Financial risk management objectives and policies

The group's financial risk management policies and objectives are integrated into those of the wider parent group which uses various financial instruments including bank loans, loan notes, trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is working capital for the group's operations, and finance for capital investment in expanding the group's portfolio of university partnerships and academic courses.

The main risks arising from the group's financial instruments are interest rate risk, liquidity risk, foreign exchange risk, price risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The parent group finances its operations through a mixture of equity, bank borrowings and loan notes. The group's exposure to interest rate fluctuations is not considered to be significant as the majority of the group's financing is at fixed interest rates.

Liquidity risk

The group seeks to manage financial risk by preparing detailed cash flow forecasts and ensuring sufficient liquidity is available to meet foreseeable needs. Short-term flexibility is achieved by a revolving credit facility, which remained undrawn during the year.

Foreign exchange risk

The group operates internationally and is exposed to foreign currency transactional risk arising from various currency exposures. Foreign exchange risk arises when commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The group also has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk primarily with respect to the US dollar, Euro, and Hong Kong dollar. The exposure to foreign currency risk is naturally hedged with future development plans.

Price risk

The group seeks to manage price risk by setting price lists for all products and agreeing policies and approval procedures for discounts and other price incentives, such as bursaries.

Credit risk
The group's principal financial assets are cash and trade debtors. In order to manage credit risk, the directors prioritise the credit control function and clear guidelines are in place for dealing with slow payers.

This report was approved by the board and signed on its behalf by:

D Johnston
Director
22 December 2023

Directors' report

The directors present their report and the audited financial statements of the group for the year ended 31 August 2023.

A review of the business, including financial key performance indicators and principal risks and uncertainties, together with a summary of future developments are included in the strategic report under s414 of the Companies Act 2006 and are therefore not shown in the directors' report. Directors' duties under section 172 of the Companies Act 2006 are also described in the strategic report and are not included in this directors' report.

Results and dividends

The profit for the financial year amounted to £3,954,000 (2022: £2,635,000). No dividend was paid during the year (2022: £nil). The directors do not recommend the payment of a final dividend (2022: £nil).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

J Bayley	Appointed 29 June 2023
D Johnston	
B Webb	

Future developments and risk management

Future developments and the principal risks and uncertainties and arrangements for their management are described in the strategic report on pages 3 to 8.

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the group's policy whenever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

Through regular meetings and other internal communications, the group keeps employees informed of and consulted on matters affecting them as employees and of the financial and economic factors affecting the performance of the group. Where relevant and appropriate, employees are eligible for performance related remuneration based on the achievement of personal and corporate objectives.

Development expenditure

Development costs that are directly attributable to the design and testing of certain identifiable software products controlled by the group are recognised as intangible assets.

Streamlined energy and carbon reporting

None of the group's subsidiaries meet the definition of a large company and the company is a low energy user. This means that neither the company nor its subsidiaries are obliged to include energy and carbon information in this directors' report.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

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

In preparing the 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 applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Independent auditor

BDO LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487 (2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

On behalf of the board

D Johnston
Director
22 December 2023

Statement of corporate governance and internal control

Governance structure

This statement applies to the whole of the year to 31 August 2023, and the subsequent period up to the date of approval of these financial statements.

CEG UFP Limited is a subsidiary of Camelot Topco Limited. Camelot Topco Limited and its subsidiaries, including CEG UFP Limited and its immediate parent Cambridge Education Group Limited, comprise “the group” or “CEG”.

As a registered provider with the Office for Students, CEG UFP Limited (under the trading name ONCAMPUS) has a formal governance structure which is set out below. The CEG UFP Limited Board is a delegated committee of the board of directors of CEG, and is responsible for ensuring compliance with its statutory and regulatory responsibilities, including compliance with the OfS ongoing conditions of registration. It oversees the work of numerous supporting boards, committees and groups, each with specific remits that allow effective governance and management of our business whether they be academic, student or staff related. Operational, information technology and financial policies are also governed via this structure.

- The CEG UFP Limited Board is the governing body of ONCAMPUS. Its governors include the Chief Academic Officer and the Chief Operating Officer. The Chief Academic Officer is also the Accountable Officer for Office for Students purposes. The governing body operates with delegated authority from the CEG board to oversee the day to day operation of ONCAMPUS, and does this primarily through the operations board and the academic board.

- The Academic Board has ultimate responsibility for the quality and standards of academic provision within ONCAMPUS. Membership includes the academic team, the Chief Operating Officer, centre directors and representatives from compliance, admissions and marketing teams. The academic board reports to the governing body, convenes on a termly basis and is chaired by the Chief Academic Officer. Reporting to the academic board are three key committees:
    - The Learning and Teaching Committee has responsibility for the development and progress of the Learning, Teaching and Assessment Strategy and within the context of the Learning, Teaching and Assessment Strategy, to develop relevant policy, and monitor its implementation. It comprises academic lead representatives from each centre and is chaired by the Deputy Chief Academic Officer.
    - The Quality Assurance Committee is chaired by the Chief Academic Officer and is responsible for ensuring the Annual Monitoring Report (AMR) process is properly carried out, as well as operationalising key policies such as programme development. It is also responsible for providing a forum for discussion of programme and module delivery, including enhancement of the curriculum deriving from subject group meetings.
        - Additional “subject groups” reporting into the Quality Assurance Committee provide a forum in which ONCAMPUS teaching staff can express their views about the management of the programme and the content, delivery and assessment of modules. These outputs contribute to policy development and management.
    - The Data Steering Group is chaired by the ONCAMPUS Chief Operating Officer and considers data and reporting systems to provide guidance to the academic board and related committees on the most effective ways of utilising data. It identifies and disseminates good practice in relation to data reporting to support enhancements to the student experience, compliance, centre management and senior management decision making and contributes to the development of both academic and operational related policy.

- The Operations Board meets on a termly basis and includes all Centre Heads and Directors as well as representatives from IT, finance, operational resources and compliance. It considers operational information such as monthly submissions of tutor utilisation, space utilisation and capacity utilisation as well as a number of centre KPIs and use this information as appropriate with regard to policy development and management.
        - The Welfare Committee meets on a monthly basis to consider student welfare, safeguarding and wellbeing as well as ensuring ONCAMPUS is discharging its duties correctly in relation to Prevent, and reports to the operations board. It develops policy as well as providing operational direction and oversight. The chair submits summary Welfare and Prevent reports to the Board to appraise them of any ongoing or closed incidents.

Internal control

CEG UFP Limited, the Head of Provider, and the directors and executive management of the group acknowledge their statutory and regulatory responsibility to ensure that an effective system of internal control is maintained and operated. This takes account of the Regulatory Advice 9: Accounts Direction published by the Office for Students.

The purpose of the system of internal control is to identify and manage risk in a way that ensures compliance with all legal and regulatory requirements, while facilitating achievement of the group's strategic objectives. This includes arrangements for the prevention and detection of fraud, bribery and other instances of non-compliance.

Our risk management focus extends beyond those matters that concern the financial performance of the group, and also encompasses operational and compliance risks. ONCAMPUS is subject to regulation by UK Visas and Immigration (a division of the Home Office) as part of the requirements of holding its Student (formerly Tier 4) Sponsor licences for the admission of international students to the UK. ONCAMPUS has held its Student Sponsor licence since 2009 and has a good understanding of the responsibility as a Student sponsor to act in accordance with the Immigration Rules. This guiding principle is embedded in our processes and systems to ensure best interests of our students, staff and our partners, as well as maintaining a good reputation in the international education sector.

Our Immigration Compliance and Advice Team (ICAT) ensure that we design and operate processes that comply with these rules and related guidance, and that the effectiveness of these processes is monitored and reported to the operations board. CEG UFP Limited has invested in IT systems to ensure that its management team has the tools required to carry out those duties as stipulated by UKVI as well as providing key management information throughout the academic year cycle.

The CEG UFP Limited board, the CEG executive team and the CEG board receive frequent, regular reports on the identification and management of risks to the group's operations and strategic objectives through the governance structure described above. The Chief Operating Officer is a permanent member of the CEG executive team and attends CEG board meetings as required to inform the board on relevant matters pertaining to CEG UFP Limited. The Head of Provider also holds the role of Chief Executive Officer of the group, demonstrating the importance of the post to the board and shareholders of CEG.

No internal control weaknesses or failures have arisen during the financial year that have resulted in material mis-statement of, or uncertainty regarding, the financial information or disclosures within these financial statements, nor prevented CEG UFP Limited from achieving its strategic objectives.

The external auditors report to the group audit committee at least twice annually. The purpose of the external audit is to provide an objective assessment of the accuracy and fair presentation of the financial statements. The auditors will assess whether the group has complied with all applicable laws and regulations in order to identify and consider any material impacts on the financial statements.

There were no significant internal control weaknesses identified in the audit of the financial statements of CEG UFP Limited during the year to 31 August 2023, or the subsequent period up to the date of approval of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO MEMBER OF CEG UFP LIMITED

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 August 2023 and of the Group's and the Company's income and expenditure, gains and losses, changes in reserves and of the Group's and the Company'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 CEG UFP Limited ('the Company') and its subsidiaries ('the Group') for the year ended 31 August 2023 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the company statement of financial position, the company statement of changes in equity, the consolidated statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) "ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

The directors are 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 Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Company for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- 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 Company's grant and fee income, as disclosed in note 6 to the accounts, has been materially misstated.

Responsibilities of the directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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 Group and the sector in which it operates;
- discussion with management and those charged with governance;
- obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- direct representation from the Accountable Officer;

we considered the significant laws and regulations to be United Kingdom Generally Accepted Accounting Practice, Companies Act 2006, UK tax and employment legislation, and OfS's Accounts Direction.

The Group 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 and compliance with the ongoing conditions of registration with OfS.

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 financial statement disclosures and agreeing to supporting documentation;
- involvement of tax specialists in the audit;
- review of legal expenditure accounts to understand the nature of expenditure incurred; and
- enquiry with management and those charged with governance including with the Group's Accountable Officer regarding any instance of non-compliance with laws and regulations that may have a material effect on the financial statements.

Fraud

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

- enquiry with management and those charged with governance including with the Group's Accountable Officer regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group'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; and
- considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be areas involving accounting estimates and judgments, manual journals, revenue recognition policy and revenue recognised around the year end.

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 review of cash flow forecasts and discount rate as part of impairment assessment review for assets including goodwill; and
- testing revenue recognition and cut-off.

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 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Piers Harrison
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Piers Harrison (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Cambridge, UK
Date: 22 December 2023

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

Consolidated income statement
For the year ended 31 August 2023

	Note	2023 £'000	2022 £'000
Revenue	6	**69,270**	50,806
Cost of sales		**(27,704)**	(20,044)
Gross profit		**41,566**	30,762
Administrative expenses		**(36,421)**	(27,606)
Other operating income		**678**	524
Profit before interest and taxation	7	**5,823**	3,680
Interest payable and similar expenses	9	**-**	(4)
Profit before tax		**5,823**	3,676
Tax charge on profit	10	**(1,869)**	(1,041)
Profit for the financial year		**3,954**	2,635

All of the activities of the group are classed as continuing.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account.

Consolidated statement of comprehensive income
for the year ended 31 August 2023

	2023 £'000	2022 £'000
Profit for the financial year	**3,954**	2,635
Other comprehensive (expense)/income for the year:		
Foreign exchange (losses)/gains on retranslation of overseas subsidiaries	**(85)**	60
Total comprehensive income for the year	**3,869**	2,695

Consolidated statement of financial position

As at 31 August 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Intangible assets	11	**3,669**	3,803
Tangible assets	12	**492**	739
		4,161	4,542
Current assets			
Debtors	14	**38,799**	29,232
Cash at bank and in hand		**15,637**	10,716
		54,436	39,948
Creditors: amounts falling due within one year	15	**(38,377)**	(28,528)
Net current assets		**16,059**	11,420
Total assets less current liabilities		**20,220**	15,962
Provisions for liabilities	17	**(401)**	(12)
Net assets		**19,819**	15,950
Capital and reserves			
Called-up share capital	19	**-**	-
Other reserves		**220**	305
Retained earnings		**19,599**	15,645
Total equity		**19,819**	15,950

These financial statements on pages 17 to 44 were approved by the directors and authorised for issue on 22 December 2023 and are signed on their behalf by:

D Johnston
Director
Company registration number: 06355631

N Dickson
Accountable Officer

Consolidated statement of changes in equity

for the year ended 31 August 2023

	Called-up share capital £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 September 2021	**-**	**245**	**13,010**	**13,255**
Profit for the financial year	-	-	2,635	2,635
Other comprehensive income for the financial year	-	60	-	60
Total comprehensive income for the financial year	-	60	2,635	2,695
At 31 August 2022	**-**	**305**	**15,645**	**15,950**
At 1 September 2022	**-**	**305**	**15,645**	**15,950**
Profit for the financial year	-	-	3,954	3,954
Other comprehensive expense for the financial year	-	(85)	-	(85)
Total comprehensive (expense)/income for the financial year	-	(85)	3,954	3,869
At 31 August 2023	**-**	**220**	**19,599**	**19,819**

Company statement of financial position

As at 31 August 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Intangible assets	11	**595**	867
Tangible assets	12	**72**	83
Investments	13	**4,817**	4,289
		5,484	5,239
Current assets			
Debtors	14	**20,035**	13,559
Cash at bank and in hand		**11,224**	8,103
		31,259	21,662
Creditors: amounts falling due within one year	15	**(33,410)**	(27,092)
Net current liabilities		**(2,151)**	(5,430)
Total assets less current liabilities		**3,333**	(191)
Net assets/(liabilities)		**3,333**	(191)
Capital and reserves			
Called-up share capital	19	**-**	-
Other reserves		**37**	37
Retained earnings/(accumulated losses)		**3,296**	(228)
Total equity		**3,333**	(191)

The profit after tax dealt with in the financial statements of the company and attributable to members was £3,524,000 (2022: £2,324,000).

These financial statements on pages 16 to 43 were approved by the directors and authorised for issue on 22 December 2023 and are signed on their behalf by:

D Johnston
Director
Company registration number: 06355631

N Dickson
Accountable Officer

Company statement of changes in equity

for the year ended 31 August 2023

	Called-up share capital £'000	Other reserves £'000	Retained earnings/ (Accumu-lated losses) £'000	Total equity £'000
At 1 September 2021	**-**	**37**	**(2,552)**	**(2,515)**
Profit for the financial year	-	-	2,324	2,324
Total comprehensive income for the financial year	-	-	2,324	2,324
At 31 August 2022	**-**	**37**	**(228)**	**(191)**
At 1 September 2022	**-**	**37**	**(228)**	**(191)**
Profit for the financial year	-	-	3,524	3,524
Total comprehensive income for the financial year	-	-	3,524	3,524
At 31 August 2023	**-**	**37**	**3,296**	**3,333**

Consolidated statement of cash flows

for the year ended 31 August 2023

	Note	2023 £'000	2022 £'000
Cash generated from operating activities	20	**6,548**	6,114
Tax refunded/(paid)		**40**	(138)
Net cash generated from operating activities		**6,588**	5,976
Cash flow used in investing activities			
Purchase of subsidiaries including contingent consideration		**(1,371)**	(602)
Purchase of intangible assets		**(68)**	(90)
Purchase of tangible assets		**(185)**	(450)
Net cash used in investing activities		**(1,624)**	(1,142)
Cash flow used in financing activities			
Interest paid		**-**	(4)
Increase in cash and cash equivalents		**4,964**	4,830
Effect of exchange rates on cash and cash equivalents		**(43)**	10
Cash and cash equivalents at 1 September		**10,716**	5,876
Cash and cash equivalents at 31 August		**15,637**	10,716

Company statement of cash flows

for the year ended 31 August 2023

	Note	2023 £'000	2022 £'000
Cash generated from operating activities	20	**3,587**	3,971
Cash flow from investing activities			
Purchase of subsidiaries including contingent consideration		**(1,371)**	(606)
Purchase of intangible assets		**(68)**	(90)
Purchase of tangible assets		**(27)**	(13)
Dividends received		**1,000**	998
Net cash (used in)/generated from investing activities		**(466)**	289
Increase in cash and cash equivalents		**3,121**	4,260
Cash and cash equivalents at 1 September		**8,103**	3,843
Cash and cash equivalents at 31 August		**11,224**	8,103

Notes to the financial statements

1 General information

CEG UFP Limited ('the company') is a private company limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the operations and principal activities of the company and its subsidiaries (together 'the group') are set out in the strategic report.

2 Statement of compliance

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

3 Summary of significant accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and prior year in these financial statements.

a) Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention.

Values are presented in pounds sterling, rounded to thousands except where the nature of the disclosure or the value disclosed is such that disclosure in pounds is more appropriate.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the group's accounting policies. Details of the significant judgments and estimates are disclosed in note 4.

b) Going concern

The group meets its day-to-day working capital requirements through its banking facilities and cash held. The directors have prepared detailed budgets and long-term forecasts taking account of possible changes in trading performance. Having considered possible trading scenarios over the foreseeable future, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, within the level of existing facilities, and to meet long-term liabilities as they fall due. The group therefore continues to adopt the going concern basis in preparing its financial statements.

c) Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 August. All intragroup transactions and balances are eliminated on consolidation.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet the acquiree's identifiable assets and liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

3 Summary of significant accounting policies (continued)

d) Foreign currency translation

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in pounds sterling which is the company's functional and the group's presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date, including any goodwill in relation to that entity. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss within 'administrative expenses'.

e) Revenue

Tuition revenue is generated from the provision of education courses to students and is recognised over the period in which the teaching occurs. Discounts and bursaries are netted against tuition revenue.

Accommodation revenue is generated from accommodation provided to students and is recognised over the period for which it is provided.

Where payments are received from students in advance of services provided, those amounts are recorded as deferred income or, if potentially refundable within the terms of the contract, within other creditors.

Registration fees and fees in lieu of notice are recognised in income when received.

Revenue for other services is recognised as the performance of those services occurs.

f) Interest income

Interest income is recognised in the period in which it is earned using the effective interest rate method.

g) Operating leases

The group leases various assets under operating leases. Operating leases are arrangements where substantially all of the benefits and risks of ownership remain with the lessor. Rentals are charged to profit or loss on a straight line basis over the period of the lease.

Incentives received to enter into an operating lease are released to profit or loss on a straight-line basis over the whole life of the lease.

3 Summary of significant accounting policies (continued)

h) Employee benefits

The group operates a number of country-specific defined contribution pensions plans for its employees. Contributions are charged to profit or loss in the period in which they become payable.

The group operates a number of annual bonus plans for employees. An expense is recognised in the income statement when the group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

i) Borrowing costs

Borrowing costs are charged to profit or loss over the term of the debt using the effective interest rate method. Issue costs are initially recognised as a reduction in the proceeds of the associated capital transaction.

j) Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group's entities operate and generate taxable income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where timing differences relate to interests in subsidiaries and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined based on the rates expected to apply at the date of reversal, using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3 Summary of significant accounting policies (continued)

k) Business combinations and goodwill

Business combinations are accounted for using the purchase method.

The cost of a business combination is the fair value of the consideration given plus directly attributable costs of the acquisition.

In the balance sheet, the acquiree's identifiable assets and liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operation are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis over its expected useful life which is 10 years.

Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement.

Contingent consideration is initially recognised at an estimated amount where the consideration is probable and can be measured reliably. Any adjustments to the final consideration paid are recognised as an adjustment to the cost of the business acquisition.

l) Intangible assets

Development costs that are directly attributable to the design and testing of identifiable software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during the development can be reliably measured.

Costs associated with maintaining computer software are recognised as an expense as incurred.

Amortisation is calculated using the straight-line method, to allocate the depreciable amount of intangible assets to their residual values over their estimated useful economic life which is 4 years. Amortisation begins when the intangible asset is available for use.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

3 Summary of significant accounting policies (continued)

m) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the group and the cost can be measured reliably. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

Depreciation is calculated so as to write off the cost of the assets, less their estimated residual value, over the useful economic life of the asset on a straight-line basis. These useful lives range from 3 to 5 years.

The assets' residual values and useful lives are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

n) Impairment of fixed assets and goodwill

Fixed assets and goodwill are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased, except for goodwill where impairment losses previously recognised are not reversed.

o) Investments

Investments in subsidiaries are valued at cost less accumulated impairment.

p) Provisions and contingencies

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required in settlement of the obligation and the amount of the obligation can be measured reliably.

Contingent liabilities arise as a result of past events where it is either not probable that there will be an outflow of resources or the amount cannot be reliably measured or where the existence or otherwise of an obligation can only be determined by the outcome of uncertain future events that are not wholly within the group's control.

Contingent liabilities are not recognised, except those which may be acquired in a business combination, but are disclosed in the financial statements unless the probability of an outflow of resources is remote.

3 Summary of significant accounting policies (continued)

q) Financial assets and liabilities

Basic financial assets, including trade and other debtors, amounts owed by group undertakings, and bank balances, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

Basic financial liabilities including trade and other creditors, and amounts owed to group undertakings, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost, unless the arrangement constitutes a financing transaction. For such transactions the debt instrument is measured at the present value of the future payments discounted at a market rate of interest and subsequently carried at amortised cost, using the effective interest rate method.

r) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction from the proceeds.

s) Reserves

The group and company's reserves are as follows:

- foreign exchange reserve represents the cumulative gains and losses arising on the retranslation of the net assets of overseas operations from local currency to sterling.
- retained earnings and accumulated losses.

4 Critical accounting estimates and judgments

In preparing these financial statements the directors have identified the following key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of intangible assets, goodwill and investments

The group considers whether intangible assets, goodwill and investments are impaired. These estimates are based on a variety of factors such as the expected life of internally developed software, the expected use of an acquired business, the expected useful life of cash generating units to which goodwill is attributed, and any legal, regulatory or contractual provisions that can limit useful life. Where an indication of impairment is identified, the estimation of the recoverable value requires estimation of the recoverable value of the CGUs. This requires estimation of the sector valuation and/or future cash flow from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. The net carrying values of intangible assets and goodwill, and of investments, are given in notes 11 and 13 respectively.

Impairment of debtors

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. The net carrying amount of the debtors and the associated impairment provision are given in note 14.

5 Disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- from presenting its individual income statement;
- from presenting a debt reconciliation;
- from the financial instrument disclosures as the information is provided in the consolidated financial statement disclosures; and
- from the key management personnel compensation disclosures as their remuneration is included in the totals for the group as a whole.

6 Revenue

The revenue and profit before tax are attributable to the principal activities of the group. An analysis of revenue is given below:

	2023	2022
	£'000	£'000
United Kingdom	**61,407**	44,397
Europe	**7,863**	6,409
	69,270	50,806

All revenue comprises provision of education and ancillary services.

Additional disclosure required by the Office for Students

	2023	2022
	£'000	£'000
Grant income from the OfS	-	-
Grant income from other bodies	-	-
Fee income for taught awards	-	-
Fee income for research awards	-	-
Fee income from non-qualifying courses	**54,519**	41,325
Other revenue	**14,751**	9,481
	69,270	50,806

7 Profit before taxation

Profit is stated after charging:

	2023	2022
	£'000	£'000
Amortisation of goodwill and intangible assets	**720**	652
Depreciation of tangible assets	**255**	197
Loss on disposal of tangible assets	**177**	-
Impairment of trade debtors	**1,884**	571
Fees paid to the company's auditor for the audit of the company's annual accounts	**85**	65
Fees paid to the company's auditor and its associates for other services:		
- Audit of the accounts of subsidiaries	**17**	10
- Tax compliance services	**5**	2
- Other non-audit services	**4**	6
Operating lease charges	**7,527**	7,273
Net loss on foreign currency translation	**206**	47

8 Employees

Group

The average number of staff employed by the group during the financial year was:

	2023	2022
	No.	No.
Teaching, academic and other centre-based staff	**316**	232
Sales, administration and management	**151**	141
	467	373

The aggregate payroll costs of employees were:

	2023	2022
	£'000	£'000
Wages and salaries	**13,141**	10,044
Social security costs	**1,432**	793
Other pension costs	**298**	136
	14,871	10,973

8 Employees (continued)

Company

The average number of staff employed by the company during the financial year was:

	2023 No.	2022 No.
Sales, administration and management	**132**	122

The aggregate payroll costs of employees were:

	2023 £'000	2022 £'000
Wages and salaries	**3,726**	3,347
Social security costs	**391**	295
Other pension costs	**85**	86
	4,202	3,728

Directors' remuneration is borne by other group companies and it is not deemed possible to allocate a charge from other group companies.

Additional disclosure required by the Office for Students

(a) The number of staff, excluding the Head of Provider, with a basic salary of over £100,000 per annum was:

	2023 No.	2022 No.
£105,000 - £109,999	**-**	1
£115,000 - £119,999	**1**	-
£120,000 - £124,999	**-**	1
£125,000 - £129,999	**1**	-

(b) The total amount of compensation paid for loss of office was £6,000 (2022: £14,000). This was in respect of two employees (2022: 3).

8 Employees (continued)

Additional disclosure required by the Office for Students (continued)

(c) Remuneration paid to the Head of Provider was as follows:

	2023	2022
	£'000	£'000
Basic salary	**288**	252
Performance-related pay	**69**	20
Payment in lieu of annual leave	**6**	-
Private health insurance	**2**	2
	365	274

All remuneration for the Head of Provider was borne by another group company and is in respect of services provided to the CEG UFP Limited group and other group businesses. It has not been possible to accurately allocate their remuneration between these divisions.

The Head of Provider is remunerated through another group company. In addition to services provided in relation to the network of global study centres operating under the ONCAMPUS trading name and which are subject to OFS registration as part of CEG UFP Limited, the Head of Provider undertakes a wider role as Chief Executive Officer of Cambridge Education Group. This includes a broad and diverse portfolio of education businesses including those with in-person delivery in the United Kingdom and across Europe and North America, and education technology brands based in the United Kingdom and the Republic of Ireland. The Head of Provider dedicates significant time and effort towards upholding quality and compliance standards within CEG UFP Limited, and to setting the strategy and direction for CEG UFP Limited to continue delivering excellent student outcomes for students attending centres covered by the provider registration. Due to their other responsibilities within a large and complex global organisation, it is impossible to accurately quantify a specific proportion of their remuneration that could be directly allocated to this part of their role.

The remuneration available to the Head of Provider includes compensation typical of that for an equivalent senior role in the private sector in which CEG UFP Limited operates, and includes a contractual basic salary and performance-related elements. The performance of the Head of Provider is based on appraisal by the board of the ultimate parent company. This assessment includes a range of financial and non-financial key performance indicators for Cambridge Education Group and its subsidiaries, including CEG UFP Limited, and specific objectives allocated to the Head of Provider each academic year. Individual elements of the remuneration package available to the Head of Provider, including evaluation of eligibility for contractual or discretionary performance bonuses and any changes to basic salary, whether as part of a wider company pay award available to all staff or reflecting changes specific to that individual, are reviewed by the remuneration committee of the board of the ultimate parent company.

The Head of Provider's basic salary is 8.6 times (2022: 9.2 times) the median pay of staff, and the Head of Provider's total remuneration is 10.7 times (2022: 8.8 times) the median total remuneration of staff.

9 Interest payable and similar expenses

	2023 £'000	2022 £'000
Bank interest	-	4

10 Taxation

(a) Tax charge included in the income statement

	2023 £'000	2022 £'000
Current tax		
UK corporation tax for the year at 21.5% (2022: 19%)	1,407	(158)
Adjustments in respect of prior periods	389	859
Overseas tax	156	292
Total current tax charge	1,952	993
Deferred tax		
Origination and reversal of timing differences	(36)	39
Adjustments in respect of prior periods	(47)	16
Impact of change in tax rate	-	(7)
Total deferred tax (credit)/charge	(83)	48
Tax charge for the year	1,869	1,041

(b) Reconciliation of tax charge

The tax charge assessed on the profit before tax for the year is higher (2022: higher) than the standard rate of corporation tax in the UK of 21.5% (2022: 19%). The differences are explained below:

	2023 £'000	2022 £'000
Profit before tax	5,823	3,676
Profit before tax multiplied by rate of tax at 21.5% (2022: 19%)	1,252	698
Expenses not deductible for tax purposes	438	91
Adjustments in respect of prior periods	342	875
Impact of change in tax rate	-	(7)
Group relief claimed	(201)	(236)
Other	38	(380)
Tax charge for the year	1,869	1,041

11 Intangible assets

Group

	Goodwill £'000	Software £'000	Total £'000
Cost:			
At 1 September 2022	3,262	1,395	4,657
Additions	553	68	621
Foreign exchange movement	(46)	-	(46)
At 31 August 2023	**3,769**	**1,463**	**5,232**
Accumulated amortisation:			
At 1 September 2022	326	528	854
Charge for the year	380	340	720
Foreign exchange movement	(11)	-	(11)
At 31 August 2023	**695**	**868**	**1,563**
Net book value:			
At 31 August 2023	**3,074**	**595**	**3,669**
At 31 August 2022	2,936	867	3,803

Company

	Software £'000
Cost:	
At 1 September 2022	1,395
Additions	68
At 31 August 2023	**1,463**
Accumulated amortisation:	
At 1 September 2022	528
Charge for the year	340
At 31 August 2023	**868**
Net book value:	
At 31 August 2023	**595**
At 31 August 2022	867

12 Tangible assets

Group

	Leasehold buildings £'000	Fixtures, fittings, furniture & equipment £'000	Total £'000
Cost:			
At 1 September 2022	5	1,095	1,100
Additions	-	185	185
Acquisitions	-	1	1
Disposals	(5)	(307)	(312)
Foreign exchange movement	-	(1)	(1)
At 31 August 2023	**-**	**973**	**973**
Accumulated depreciation:			
At 1 September 2022	5	356	361
Charge for the year	-	255	255
Disposals	(5)	(130)	(135)
At 31 August 2023	**-**	**481**	**481**
Net book value:			
At 31 August 2023	**-**	**492**	**492**
At 31 August 2022	-	739	739

Company

	Fixtures, fittings, furniture & equipment £'000
Cost:	
At 1 September 2022	144
Additions	27
At 31 August 2023	**171**
Accumulated depreciation:	
At 1 September 2022	61
Charge for the year	38
At 31 August 2023	**99**
Net book value:	
At 31 August 2023	**72**
At 31 August 2022	83

13 Investments

	£'000
Cost and net book value:	
At 31 August 2022	4,289
Additions	528
At 31 August 2023	**4,817**

Investments are the directly held subsidiary undertakings detailed in note 25.

14 Debtors

Debtors due within one year:	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Trade debtors	**2,702**	1,587	**2,460**	1,385
Amounts owed by group undertakings	**31,832**	25,665	**16,596**	11,870
Other debtors	**-**	35	**-**	-
Corporation tax refund due	**-**	56	**-**	-
Deferred tax	**72**	-	**5**	7
Prepayments and accrued income	**4,193**	1,889	**974**	297
	38,799	29,232	**20,035**	13,559

Trade debtors for the group are stated after provisions for impairment of £2,765,000 (2022: £1,675,000).

Trade debtors for the company are stated after provisions for impairment of £2,080,000 (2022: £1,605,000).

Amounts owed by group undertakings are interest-free, unsecured, have no fixed date of repayment and are repayable on demand.

The deferred tax asset is the tax effect of a timing difference between depreciation and tax allowances on tangible assets. During the year there was a credit of £83,000 to the consolidated income statement (2022: £48,000 charge) and it is anticipated that a charge of £nil will be made in the next financial year.

15 Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Trade creditors	**2,481**	870	**367**	117
Amounts owed to group undertakings	**219**	-	**5,626**	6,481
Overseas taxation	**532**	320	**500**	305
Accruals	**3,895**	4,007	**394**	666
Deferred income	**26,879**	18,856	**22,516**	15,492
Other creditors	**4,310**	2,654	**3,966**	2,522
Other taxation and social security	**61**	977	**41**	665
Contingent consideration	**-**	844	**-**	844
	38,377	28,528	**33,410**	27,092

Amounts owed to group undertakings are interest free, unsecured, have no fixed date of repayment and are repayable on demand.

Deferred income includes deposits refundable to students which are usually credited against the final term fees rather than repaid.

Contingent consideration for the purchase of businesses in prior years was settled during the year, resulting in a reduction in goodwill on acquisition of Castel International (Education) Limited of £19,000.

16 Post-employment benefits

The group operates defined contribution pension arrangements for the benefit of its employees. The amount recognised as an expense for these arrangements was £298,000 (2022: £136,000).

The company operates a defined contribution pension arrangement for the benefit of its employees. The amount recognised as an expense for this arrangement was £85,000 (2022: £86,000).

17 Provisions for liabilities

Group	Onerous leases £'000	Deferred tax £'000	Total £'000
At 1 September 2022	-	12	12
Amounts dealt with in the income statement	570	(12)	558
Amounts utilised	(169)		(169)
At 31 August 2023	**401**	**-**	**401**

The group's deferred tax liability consists of the tax effect of timing differences between depreciation and tax allowances on tangible assets. Deferred tax assets and liabilities are only offset where the group has a legally enforceable right to do so and where assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the group.

The onerous lease provision is for the future lease costs of teaching space and student accommodation that has been vacated as at 31 August 2023 and remains unused. The provisions are expected to be fully utilised by 31 August 2025.

The company had no provisions for other liabilities (2022: £nil).

18 Financial instruments

The carrying values of the group's financial instruments are summarised by category below:

	Group	
	2023	2022
	£'000	£'000
Financial assets that are debt instruments measured at amortised cost less impairment:		
- Trade debtors	**2,702**	1,587
- Amounts owed by group undertakings	**31,832**	25,665
- Other debtors	**-**	35
	34,534	27,287
Financial liabilities measured at amortised cost:		
- Trade creditors	**2,481**	870
- Other creditors	**4,310**	2,654
- Accruals	**3,895**	4,007
- Contingent consideration	**-**	844
- Amounts owed to group undertakings	**219**	-
	10,905	8,375

The group did not have any financial assets or liabilities at fair value, through the income statement or otherwise.

19 Called-up share capital

Allotted, called up and fully paid:

	2023		2022	
	No.	**£**	No.	£
Ordinary shares of £1 each	**100**	**100**	100	100

The ordinary shares are not redeemable, have voting rights of one vote per share and are all equally entitled to dividends and any distribution of capital. All shares are classified as equity.

20 Notes to the statement of cash flows

Reconciliation of profit before interest and taxation to net cash inflow from operating activities

Group

	2023	2022
	£'000	£'000
Profit before interest and taxation	**5,823**	3,680
Depreciation	**255**	197
Amortisation	**720**	652
Loss on disposal of tangible fixed assets	**177**	-
Increase in provisions	**401**	-
Movements in working capital:		
Increase in trade and other debtors	**(8,726)**	(5,109)
Increase in trade and other creditors	**8,301**	6,694
Cash inflow from operating activities	**6,548**	6,114

Company

	2023	2022
	£'000	£'000
Profit before interest and taxation	**3,871**	1,621
Depreciation	**38**	33
Amortisation	**340**	333
Movements in working capital:		
Increase in trade and other debtors	**(6,478)**	(5,224)
Increase in trade and other creditors	**5,816**	7,208
Cash inflow from operating activities	**3,587**	3,971

21 Related party transactions

As a wholly-owned subsidiary of Camelot Topco Limited, the company is exempt from the requirement to disclose transactions with other members of the group.

22 Contingent liabilities

The company and several of its subsidiaries are co-guarantors of the bank loan of an intermediate parent undertaking, Camelot Bidco Limited. At 31 August 2023 this amounted to £15,000,000 (2022: £15,000,000).

23 Capital and other commitments

At 31 August the group and company had the following future minimum lease payments under non-cancellable operating leases:

	Group		Company	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Payments due:				
Not later than one year	**10,696**	4,581	**7,752**	2,687
Later than one year and not later than five years	**9,549**	10,835	**8,181**	8,222
Later than five years	**4,461**	6,605	**4,109**	6,078
	24,706	22,021	**20,042**	16,987

Capital commitments contracted for but not provided in the financial statements amounted to £3,500,000 (2022: £3,500,000) for the group and company.

The company had no other commitments (2022: £nil).

24 Business combinations

On 14 October 2022, the group acquired control of Unihaven Network International Limited and its wholly-owned subsidiary, Unihaven Limited, through the purchase of 100% of the ordinary share capital for total consideration of £547,000. The companies are incorporated in Ireland and provide undergraduate pathway courses in Ireland.

The goodwill of £572,000 arising from the acquisition is attributable to economies of scale from combining the operations into the group. Management has estimated the useful life of the goodwill to be 10 years.

The consideration paid by the group was:

	£'000
Fair value of consideration:	
Cash	400
Directly attributable costs	147
	547

For cash flow disclosure purposes the amounts are disclosed as follows:

	£'000
Cash consideration	400
Directly attributable costs paid	147
Less:	547
Cash acquired	-
Net cash outflow	547

The identifiable assets and liabilities assumed on the date of acquisition were:

	Book value and fair value £'000
Tangible fixed assets	1
Debtors	7
Creditors due within one year	(33)
Total identifiable net liabilities	(25)
Goodwill	572
Total	547

Included in the consolidated income statement for 2023 was revenue of £8,000 and a net loss of £371,000 for Unihaven Network International Limited and Unihaven Limited.

25 List of subsidiary undertakings

Subsidiary undertakings	Registered office	Nature of business	Interest
Direct shareholdings			
Castel International (Education) Limited	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Amsterdam B.V.	ii.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Aston Limited	iii.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Coventry Limited	iii.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Education Dublin Limited	i.	Dormant	100% ordinary shares
ONCAMPUS Hull Ltd	iii.	On-site university foundation courses	100% ordinary shares
ONCAMPUS London Limited	iii.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Loughborough Limited	iii.	On-site university foundation courses	100% ordinary shares
ONCAMPUS LSBU Limited	iii.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Lund Sweden AB	iv.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Paris SASU	v.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Reading Limited	iii.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Southampton Limited	iii.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Sunderland Limited	iii.	On-site university foundation courses	100% ordinary shares
ONCAMPUS UK North Limited	iii.	On-site university foundation courses	100% ordinary shares
Unihaven Network International Limited	i.	Intermediate holding company	100% ordinary shares
Indirect shareholdings			
Unihaven Limited	i.	On-site university foundation courses	100% ordinary shares

i 2nd Floor Block 4, Bracken Business Park, 93-95 Bracken Road, Sandyford, Dublin, Ireland
ii Van Heuven Goedhartlaan 935A, 1181 LD Amstelveen, Netherlands
iii 51-53 Hills Road, Cambridge, CB2 1NT
iv Östra Vallgatan 14, 223 61 Lund, Sweden
v 9 rue Anatole de la Forge, 75017 Paris, France

26 Subsidiaries exempt from audit

The following subsidiary undertakings have claimed exemption from the requirements of the UK Companies Act 2006 section 479A relating to the audit of individual financial statements for the year ended 31 August 2023. The immediate parent company, CEG UFP Limited, has given a statement of guarantee under the Companies Act 2006 section 479A to guarantee all outstanding liabilities to which the respective subsidiary is subject at 31 August 2023.

Subsidiary	Company number
ONCAMPUS Aston Limited	13001120
ONCAMPUS Coventry Limited	6355639
ONCAMPUS Hull Ltd	6861361
ONCAMPUS London Limited	6861252
ONCAMPUS Loughborough Limited	14465002
ONCAMPUS LSBU Limited	6355637
ONCAMPUS Reading Limited	10150552
ONCAMPUS Southampton Limited	13167749
ONCAMPUS Sunderland Limited	6861284
ONCAMPUS UK North Limited	6355640

27 Ultimate controlling party

The immediate parent company is CEG OnCampus Holdings Limited.

Camelot Holdco Limited is the parent company of the smallest group which prepares publicly available consolidated financial statements that incorporate the results of the company and its subsidiaries. Copies of those consolidated financial statements may be obtained from the address given on page 1.

Camelot Topco Limited is the ultimate parent company and the parent undertaking of the largest group which prepares publicly available consolidated financial statements that incorporate the results of the company and its subsidiaries. Copies of those consolidated financial statements may be obtained from the address given on page 1.

The ultimate controlling party is Bridgepoint Europe IV Fund, managed by Bridgepoint Advisers Limited, which owns the majority of the shares in the ultimate parent company on behalf of various funds.