



University College
of Osteopathy

Annual Report & Financial Statements

Year ended 31 July 2023

Stakeholder feedback

“Well supported, engaging course, which challenges the students.” – Student response, NSS 2023

“It is an amazing opportunity to have professional osteopathy for low costs, and very effective and satisfying. I would recommend 100%. Thanks very much.” – UCO Clinic Patient

“Clinic has been a wonderful experience and again, the vast majority of staff there are excellent and willing to impart their wisdom whilst also treating you like an equal.”

– Student response, NSS 2023

“Efficient, friendly, professional. The team solved my sciatica problem and muscle problems with treatment and advice. Very grateful to them. Thank you.” – UCO Clinic Patient

“Student support was exceptional (in my case), i.e., received appropriate help when needed, and would say it was thanks to their help I made so far.” – Student response, NSS 2023

“All the students had a great day; they really enjoyed the mixture of sessions they had to do, the variety of enjoyable but purposeful sessions they had, and just the warm welcome everyone gave them. At least two of them are now having conversations about their career they would have never had before, so many thanks for opening up some minds!”

– East Sussex College Hastings

“The desire to help the student learn is evident. The teaching staff are always happy to reframe the idea they are trying to share.” – Student response, NSS 2023

Contents

Message from the Chair 4

Board Members Report (including Strategic Report)

Who we are and what we do 6

Our mission, vision and values 8

Our aims, objectives and strategic priorities 10

Our year 12

Value for money 22

Financial review 26

Statement of corporate governance and internal control 28

Statement of primary responsibilities of the Board 38

Independent auditor’s report to the members 40

Statement of comprehensive income 46

Statement of changes in reserves 47

Statement of financial position 48

Statement of cash flows 49

Statement of principal accounting policies 50

Notes to the financial statements 56

University College of Osteopathy
Registered Office: 275 Borough High Street, London SE1
1JE Company registration number: 00146343 (England and
Wales) Exempt Charity

Message from the Chair

In my first year as Chair of the Board UCO has celebrated significant successes, but has had to face serious, long-standing challenges both internal and external.

Significant turbulence was caused in the autumn by government fiscal policy and global factors resulting in higher costs and rising inflation. These factors have impacted all higher education providers in the UK, but as a small specialist institution with a single degree programme UCO is especially vulnerable. Our primary income source is student fees and in 2022 there was a steep decline in student recruitment, specifically to the part-time Masters Osteopathy programme. This trend is in line with recruitment to other independent osteopathic institutions and across allied health professions.

Supported by external expert advice the Board concluded that with no immediate prospect of student numbers and/or student fees increasing, UCO's financial position as an independent provider was unsustainable and that the most effective way to continue to guarantee continued provision of education and research in osteopathy was by merger with a larger institution that would have the financial and academic resources to deliver UCO's mission. Following a rigorous process of due diligence, discussions with AECC University College (AECC) were initiated and are progressing. A merger between UCO and AECC will provide the opportunity to bring together two specialist higher education institutions and will create a unique

multi-disciplinary environment for education, clinical practice and research that respects and preserves osteopathy, chiropractic, and a wide range of allied health and related disciplines. This will be delivered across two locations – AECC's current campus in Dorset and UCO's in central London.

Regrettably in July 2023 Charles Hunt decided to resign after 17 years as Vice-Chancellor and 33 as a member of staff. He played a pivotal role in elevating UCO's reputation and shaping the osteopathic profession. Under his leadership, the UCO achieved a number of significant milestones including becoming the first independent osteopathic institution to attain taught degree awarding powers and gain University College title. He has been replaced as Acting Vice-Chancellor by Sharon Potter, a long-standing member of UCO's executive team. She is supported in leading the transition process by the appointment of Dr David Langley, former Chair of the Board of the UCO (then known as the British School of Osteopathy), as interim Chief Operating Officer. David brings wide experience of global higher education leadership and governance as well as institutional and professional understanding.

Every attempt is being made by the leadership team to ensure continuity of provision for staff, students

and patients. UCO is a close knit community and I have been impressed by the way all at UCO have come together to face the future with open minds, resilience and compassion. On behalf of the Board, I would like to thank the executive, staff and students for their hard work, dedication and commitment.

Despite these difficulties, the last year has seen much to celebrate; there has been a substantial improvement in our National Student Survey (NSS) result and we are pleased to have maintained our silver ranking in the Office for Students Teaching Excellence Framework (TEF). All elements of the UCO submission were judged to be either “very high quality” or “outstanding”, with individual awards of Silver for Student Experience and Gold for Student Outcomes. This excellent result reflects investment in facilities for our students, such as our IT infrastructure and audio-visual capabilities. Work has also begun on the development of three-year full time osteopathic courses for the UCO to meet market demand.

To help students through the challenge of cost of living we now offer the ITEC Level 3 Sports Massage as an additional qualification free of charge to first year undergraduate osteopathy students. As a recognised industry-standard qualification, this will provide students with the practical and theoretical skills to practice as a fully qualified sports massage therapist and to either gain employment within a health, sports and fitness or leisure setting, or establish their own sports massage business while completing their osteopathic studies.

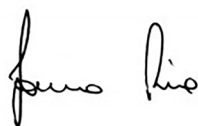
We have continued to work on existing successful partnerships with other academic institutions and to explore new ones, providing opportunities for us to support and learn from each other. The College of Esports located in the Olympic Park, London has started delivering its first courses.

UCO retains its commitment to improving access and participation and has organised events for twelve new school and colleges partners continuing to build upon these relationships. We have ensured funding support has been available to applicants

from low-income households and care leavers as well as making scholarships available. The return of community clinics ensures a wide and diverse range of patients.

UCO Research Department received £250,000 from Research England to develop knowledge exchange capacity and partnerships, enhance research culture within our institution, and promote the impact of our research activities externally. The Alan and Sheila Diamond Charitable Trust have provided further generous sponsorship from former UCO student, David Hohenschurz-Schmidt, to continue his post-doctoral research following completion of his PhD, also funded by the Trust. The UCO is grateful to all its donors who provide funds to support our work.

Finally, I want to record my thanks to my colleagues on the Board of Directors. Their contribution in terms of time and effort towards preserving all that is best in UCO has been outstanding.



Professor Joanna Price
Chair of the Board



Board Members Report (including Strategic Report)

Who we are and what we do

The University College of Osteopathy has been a leading provider of osteopathic education, research and healthcare for over 100 years, playing a significant role in championing osteopathy and furthering the profession both in the UK and internationally.

Formed in 1917 by John Martin Littlejohn, a former student of Andrew Taylor Still, the founder of osteopathy, the UCO has grown from a small school delivering basic professional training to a highly respected University College attracting students from around the world. Over the past century, the UCO has relocated several times to accommodate its growth, settling in its current location on Borough High Street in London in 1997, and has continuously developed its academic provision to reflect contemporary evidence and research and to adapt to osteopathy's evolving role in the healthcare arena. Our Chancellor, HRH The Princess Royal, has been an advocate for the UCO since 1984.

Today, our graduates make up approximately 41% of practicing osteopaths in the UK and occupy significant positions within the osteopathic and wider healthcare community, including leadership roles at the General Osteopathic Council, the Institute of Osteopathy and internationally.

In 2016, after an intensive period of review by the Quality Assurance Agency for Higher Education (QAA), we became the only osteopathic education

provider in Europe to be granted the power to award our own degrees and to apply for University College title, which is protected by law. This then led to a change of name to the University College of Osteopathy in 2017. Since then, we have gone from being validated by another institution to validating partner institutions programmes in our own right, both at home and abroad. We are also proud to have built links with osteopathic regulators in other countries across Europe and achieving Teaching Excellence Framework (TEF) Silver rating in 2018 when we were praised for a professionally focused curriculum and good levels of student satisfaction with teaching and support and well-above benchmark rates of full-time student progression to employment among other achievements.

Our teaching clinic, the UCO Clinic, delivers high-quality osteopathic healthcare for a wide range of patients through its main site on Southwark Bridge Road and several specialist clinics in the community. All treatment is subsidised, with some delivered free of charge.

What we do

The UCO:

- Provides accredited and validated osteopathic education programmes both at undergraduate and postgraduate level, as well as continuing professional development courses for qualified practitioners including:
 - » Access to Higher Education Diploma (Osteopathic Sciences & Healthcare)
 - » Integrated Masters in Osteopathy (M.Ost): full-time and part-time
 - » MSc in Osteopathy (Pre-Registration) for qualified healthcare professionals
 - » Postgraduate Certificate in Specialist Paediatric Osteopathic Practice
 - » Postgraduate Certificate in Academic & Clinical Education
- In addition to delivering our own courses, the UCO also validate courses for other institutions. The courses we validate are as follows:
 - » *Accademia Italiana di Medicina Osteopatica (AIMO) in Saronno, Italy*
BSc (Hons) Osteopathic Sciences (Practising & Professional Pathways)
MSc in Osteopathic Medicine
Postgraduate Certificate in Healthcare Education
 - » *College of Integrated Chinese Medicine (CICM) in Reading, UK*
BSc (Hons) Acupuncture
 - » *Northern College of Acupuncture (NCA) in York, UK*
BSc (Hons) Acupuncture
MSc in Nutrition Science & Practice
MSc in Chinese Herbal Medicine
Online MSc in Advanced Complementary Medicine (Research & Practice)
Online MSc in Advanced Oriental Medicine (Research & Practice)
- Online MSc in Advanced Nutrition (Research & Practice)
 - » *Osteopathic Centre for Animals (OCA) in Wantage, UK*
Postgraduate Certificate in Animal Osteopathy
 - » *Sports Medicine Ultrasound Group (SMUG) in London, UK*
Postgraduate Certificate in Musculoskeletal Ultrasound
 - » *College of Esports*
BA (Hons) International Esports Business and Digital Marketing
BA (Hons) International Esports Business and Digital Media
BA (Hons) International Esports Business and Event Management
BA (Hons) Esports Coaching & Management
- Delivers practical training to enhance the quality and management of osteopathic care given to patients.
- Provides osteopathic treatment at affordable prices in our purpose built, fully accessible teaching clinic.
- Offers osteopathic healthcare free of charge to patients via our portfolio of award-winning community outreach clinics, serving members of the community who might otherwise not be able to access or afford osteopathic treatment, including homeless people or older people in their home environments.
- Maintains a commitment to support osteopathic research, to facilitate continuous improvement in professional practice and contribute knowledge to the wider community.

Our mission, vision and values

Our mission, vision and values guide how we make our decisions and how our staff, students and stakeholders work with each other.

Our mission

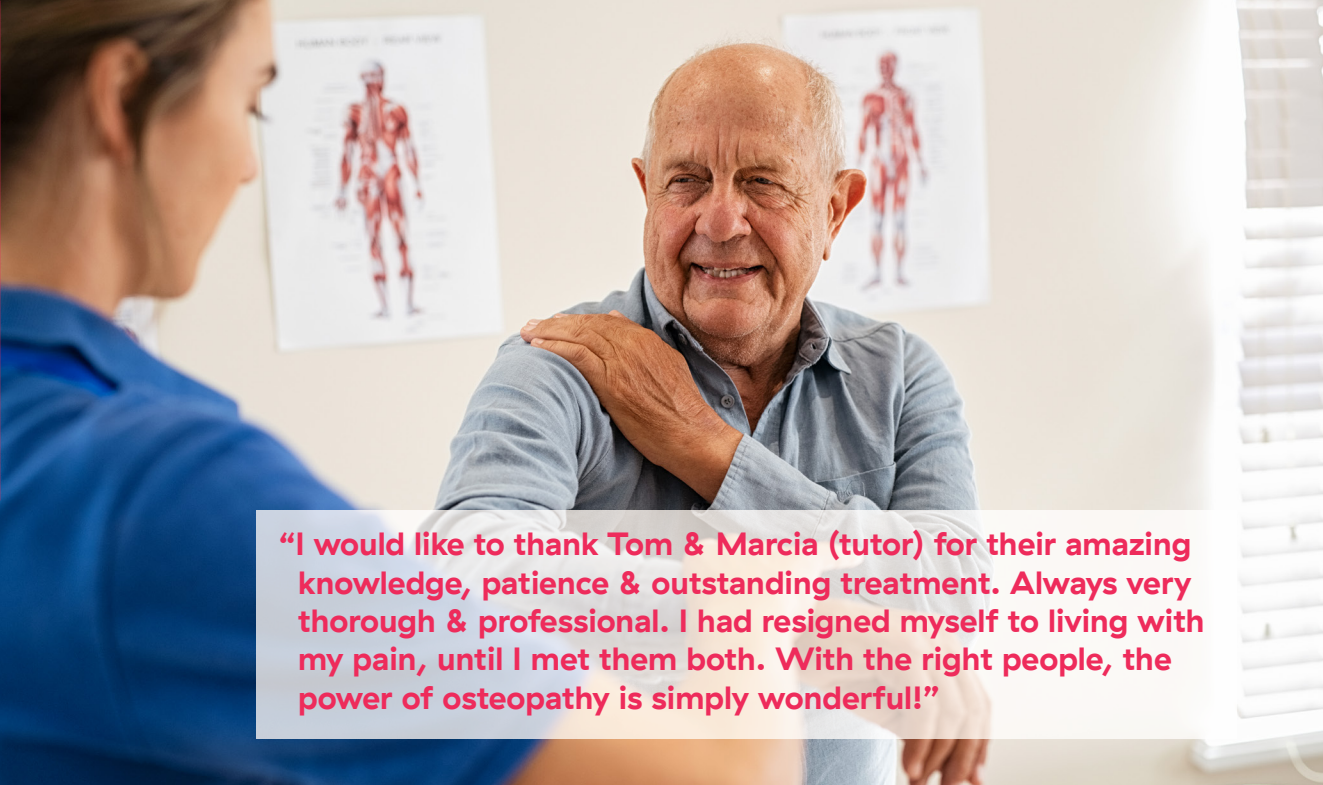
“Continually provide the highest quality education and research for all and the very best care, for each patient, on every occasion.”

We interpret our mission with a renewed focus on excellence in learning, teaching, research and sustainability. Faithful to our founding principles, we remain committed to delivering education and healthcare to our communities. We will ensure that we remain accessible to all students with the potential to succeed.

Our vision

The UCO is recognised for its provision of world-leading education in osteopathy and for pioneering an evidence-based approach to patient care.





“I would like to thank Tom & Marcia (tutor) for their amazing knowledge, patience & outstanding treatment. Always very thorough & professional. I had resigned myself to living with my pain, until I met them both. With the right people, the power of osteopathy is simply wonderful!”

Our values

The University College of Osteopathy aspires to have a value driven organisational culture – thus empowering the institution to be the best it can be. Bringing about cultural change is an integral part of the UCO’s strategic plan for 2018-2023 and the values play an intrinsic part in this cultural change.

Several meetings have been held with stakeholders including the Board of Directors and UCO staff to inform the development of the new strategic direction due to come into effect in 2023.

The values and conduct to which we aspire, and that we wish to foster and sustain are as follows:

- Students and patients will always come first.
- A culture of critical enquiry, scholarship and research.
- A respect for the heritage and values of osteopathy.
- A respect for creativity and innovation.
- A respect for equal opportunities.
- A celebration of diversity.
- A culture of openness and honesty.
- A culture of collaboration and teamwork.
- A desire for environmental sustainability.

Our aims, objectives and strategic priorities

The aims and objectives of the University College of Osteopathy as set out in our articles are to:

- Promote the general advancement of education, professional and otherwise.
- Organise and establish courses of instruction, clinical demonstration and research.
- Prepare and qualify those who wish to maintain and practise the system of osteopathy.
- Encourage and if necessary, provide means of disseminating information regarding osteopathy among the osteopathic profession, and to extend the advantages of the profession to the public.
- Provide facilities for the discovery, formulation and teaching of the system of osteopathy formulated as a system, science, or method of treatment.
- Systematise and place on a scientific basis the said system, and to impart instruction in the same to the profession and to the public.
- Provide excellent, affordable and accessible osteopathic healthcare to our communities, so promoting the benefits of osteopathy and improving clinical services and enhancing those communities' health.



Our strategic priorities as set in our 2019–2023 strategic plan are to deliver the ambition we have set ourselves. We have identified three strategic priorities to help us deliver our strategic position:

1. Be the destination of choice

In a more competitive fee environment, we must become the destination of choice – for staff, students and other institutions who we would want to collaborate with – because of the exceptional quality of everything that we do. Excellence will inform many of our strategic ambitions, from undergraduate curriculum innovation to increasing our market share of postgraduate education.

Being the destination of choice is about our ability to attract, develop and retain the highest quality students and staff from around the world and ensuring UCO is recognised as offering an outstanding education in osteopathy.

2. Sustain our financial strength and use it purposefully

We will use our financial strength to invest in: improved academic performance, both research and teaching; our estate, facilities and infrastructure; our excellent professional services; partnerships with other higher education institutions and our community partnerships.

We will become better at taking difficult decisions to disinvest from those areas which do not support our strategic ambitions and take measures to support those areas which do but which are under performing.

3. Provide our students with a distinctive, high-quality experience

The University College of Osteopathy student experience is grounded in a distinctive combination of academic excellence in a small institution focused on osteopathy and associated subjects providing outstanding opportunities associated with studying in the capital city of the UK, London. Our teaching and learning focuses upon an approach that challenges and stretches our students and is infused with research, creating a culture of criticality, enquiry and investigation.

In recognition of the Board's decision that a merger is the preferred strategic option for the UCO, the approach to delivering these priorities has inevitably changed.

Statement on public benefit

In setting our objectives and planning our activities, our Board members considered the Charity Commission's guidance on public benefit as required by the Office for Students 'Regulatory advice 5: Exempt charities' (OfS 2018.23) and the Charities Act 2011. The UCO provides public benefit principally through the teaching of undergraduate and postgraduate students and providing osteopathic treatments to patients.

The Board ensures that this purpose is carried out for the public benefit by delivering services that are valued by students and patients and by providing services that are accessible to all through bursary and non-commercial fees for clinical treatment. The structure of the Annual Report allows the UCO to report on the strategic aims, to explain its activities and achievements during the year and to show how these demonstrate public benefit.

Our year

Academic Development

The UCO continuously reviews its course offer and that of our partner institutions to ensure our academic portfolio remains relevant and delivers an excellent learning experience and long-term outcomes for students.

As part of this work this year we have successfully conducted periodic reviews of three of the UCO's existing programmes, a further programme offered by AIMO in Milan, and have approved four new partner courses for validation.

Work has also begun on the development of three new osteopathic courses for the UCO and these are due to be reviewed for course approval in 2023-24.

Our partnership work continues to be an area of development for the UCO and we have invested in the appointment of a Partnerships Quality Manager (PQM) to strengthen and support this aspect of our academic portfolio. The PQM plays a pivotal role in quality oversight of partners, including site visits, chairing Exam Boards, advising partners and identifying enhancements to quality assurance processes.

Further to this the UCO has developed and implemented a Partnerships Risk Register to assess and monitor common and partner-specific risks. This is reviewed and updated routinely to identify and monitor actions to mitigate risks, working in collaboration with the partner organisations.

Teaching, Learning and Assessment

The UCO has successfully become a registered ITEC centre enabling us to add an ITEC Level 3 Sports Massage to our course portfolio. This will be offered as an additional qualification free of charge to first year undergraduate osteopathy students from 2023 onwards. As a recognised industry-standard qualification, the (ITEC) Level 3 Diploma in Sports Massage provides students with the practical and theoretical skills to practice as a fully-qualified and insured sports massage therapist and to either gain employment within a health, sports and fitness or leisure setting, or establish their own sports massage business while completing their osteopathic studies.

Work has also taken place on the development of our Teaching, Learning & Assessment Strategy for 2023-2025, a new Inclusive Curriculum Advisory Group has been established and guidelines on the use of ChatGPT for assessments have been developed and implemented.



Teaching Excellence Framework

The UCO maintained its overall result of Silver for its latest submission to the Teaching Excellence Framework with further improvement in specific areas. TEF is a national programme overseen by the Office for Students (OfS), designed to encourage higher education institutions to enhance and excel in areas that students value most: teaching quality, learning experience, and positive study outcomes.

All elements of the UCO submission were judged to be either “very high quality” or “outstanding”, with individual awards of Silver for Student Experience and Gold for Student Outcomes.

National Student Survey (NSS)

NSS data for 2022/2023 shows significant improvement in student satisfaction across a number of areas. We have retained high scores in Teaching and Learning and seen a rise of 12% in Assessment and Feedback and over 20% in Academic Support and Learning Resources. Our performance for Mental Health & Wellbeing and Freedom of Expression are in line with sector.

Scores given by our Part Time learners indicate much higher levels of satisfaction than last year with 11 of the questions in this mode receiving 100% and a further 17 scoring 90% or over.



Our year

Student recruitment

The 2022-23 academic year began with 421 enrolled students, broken down as follows:

Access to Higher Education Diploma	17
M.Ost undergraduate programme (full and part-time)	366
Postgraduate programmes	38

The UCO continues to operate in a challenging environment for student recruitment, with the cost of living, challenges of rising inflation, erosion of the value of the student tuition fee and, as reported in the news recently, increased government intervention all playing a role.

We are also challenged by a lack of growth in demand from students for osteopathic courses, while the number of Osteopathic Education institutions (OEIs) has increased, creating an increasingly competitive marketplace. Like many other small OEIs, the UCO has experienced a decline in student applications from pre-Covid levels.

This year, our efforts to raise the profile of osteopathy and the UCO's portfolio of courses has included:

- representation at 8 regional UCAS Discovery fairs across London and the South East, meeting with young people, teaching staff and advisers to discuss opportunities to study at the

UCO and careers in healthcare;

- attendance at regional and school-based careers fairs, and the delivery of talks and workshops within school settings;
- delivery of workshops and taster events at the UCO for visiting schools and outreach partners;
- facilitation of work experience and observation opportunities within the UCO Clinic;
- collaborative work with the Osteopathic Communications Network to enhance the profile of osteopathy through external resources such as NHS Careers and UCAS;
- delivery of 9 on-campus open days, 1 virtual international open day and a pilot offer holder day;
- direct marketing campaigns to prospective students in partnership with UCAS and the Student Room.



“I really enjoyed the environment, the students were all lovely and I could really see all of the tutors’ dedication to teach each student on an individual basis. I also liked the opportunity to spend time with the students to ask them about their experiences at the university and their opinion on teaching methods and osteopathy in general.”

Asia, work experience placement

Improving access and participation

The UCO continues to monitor and deliver its Access and Participation Plan (APP) to support and enhance access to UCO courses, student success and progression.

We have built on our work with Ark Academies, delivering 3 events for learners from 7 Ark Schools and providing work experience opportunities for 6 individual Ark students. We have also provided events and support for 12 new school and colleges partners in total, and will continue to build upon these relationships going forward.

Funding granted during 2022-23 included Access to Osteopathy Scholarships, covering full course fees for applicants from low-income households; two students were awarded the Excellence Bursary for low-income learners who demonstrated academic potential and £6,000 was awarded from our Access to Learning Fund (7 recipients). A care leaver enrolled on our full-time M.Ost course and has been fully funded, as well as receiving a bursary towards his living costs. We also provided bursaries totalling £54,400 of between £200 to £750 to 104 student with low household incomes as part of our access and participation plan and funding to 116 students as part of the OfS hardship cost of living fund with an additional contribution from UCO, totalling £7,000.



Above: Students from Ark Academies observe a technique demonstration and explore anatomy using the VR suite.

Our year

Investment in our IT infrastructure

Significant upgrades to the UCO core infrastructure have been ongoing over the last year. Outdated end of life hardware has been replaced and all management software upgraded to the latest versions. A project to migrate key virtualized servers to Microsoft Azure is underway and should be completed early in 2024.

The audio-visual capabilities in two of the largest teaching rooms at Borough High street have been upgraded. New state of the art 4K Epson laser projectors were installed along with custom high-performance screens from NTEX in Sweden. In addition, new interfaces from Kramer linked video, audio enhanced the solution bringing significant improvements in both of these rooms.

Once again, the ongoing Cybersecurity threats require continued vigilance. As part of the fight against ransomware and data breaches, new enhanced security solutions have been procured and deployed. For the first time all users, both students and staff, have all data within Microsoft Office 365 fully backed up. Enhanced phishing protection adds another layer of protection for all users. For the fourth year the UCO has renewed its Cyber essentials certification.

Improving data outputs

2022-23 has seen the successful implementation of a new student information system, Quercus, to support and enhance data management and reporting.

During the period of transition from the old system, which involved the transfer of current student data entirely “in-house”, the 2021-22 HESA return was delivered successfully and work is underway to update this information to the entirely new statutory return for 2022-23 (Data Futures), which also includes the inclusion of students from our franchise partner institution, the College of Esports, for the first time. The UCO completed the first two interim submissions of this new return successfully in May 2023 and August 2023, and is on course to complete the final submission in October 2023.

The new system is widely used by academic staff as a source of up-to-date information on student engagement and further developments are planned for 2023-24.



Student services at the UCO

Student Support

The Student Support team continues to provide advice and guidance throughout the student life at UCO whether personal or academic, and to develop and tailor their services to meet changes in students' needs.

The current economic climate continues to threaten continuation and success rates for many of our students and in mitigation the UCO has been able to award £102,940 to students who have experienced financial hardship during the academic year. The monies were across the following funds: Access to Learning Fund; UCO Bursary Fund, Care Leavers Fee Waiver; Hardship Loan; UCO Student Loan Fund; Excellence Bursary and Access to Higher Education Bursary. UCO will continue to offer financial assistance via these funds as well as guidance on budgeting and managing money.

Students' Union

The UCO Students' Union (SU) consists of one Students' Union President; a Student Entertainments & Engagement Officer and a Vice-President. This year the SU has delivered a programme of themed events and the annual summer ball for UCO students and staff.

UCO Clinic

The UCO Clinic has made good progress against several key objectives this year, and has seen a growth in both patient numbers and income following a significant period of decline as a result of the COVID pandemic. This increase in patient numbers led to the clinic income meeting budget, which was an increase of approximately £50k on the previous year.

We have also successfully reintroduced several specialist and community clinics, expanding the range of clinical services available for patients and clinical development opportunities for UCO students. Onsite services now include our general undergraduate clinic, Associates Clinic, a Paediatric Clinic for younger Patients, an Expectant Mothers and Women's Health Clinic; the Blanchard Clinic for patients living with HIV, a new T-flex clinic for patients who identify as transgender, and a Musculoskeletal Ultrasound Clinic provided by the Sports Medicine Ultrasound Group (SMUG). External clinics include the Blackfriars community-based clinic for older adults, a general clinic based within a local GP practice and a clinic for patients with HIV delivered at the Royal Free Hospital, London.

Assessment structures within clinic have also been reviewed and enhanced, and engagement with the UCO's Patient and Public Involvement Group has been further developed.

Our year

Graduation

On 24 November 2022 the annual Graduation Ceremony was held at a new venue, the Bridge Theatre, at a spectacular new location overlooking London Bridge. Over 500 graduands, staff, guests and dignitaries attended the celebrations.

In addition to the presentation of awards, a number of graduates and current students were recognised with prizes for exceptional performance. These included:

- Gold Medal for Outstanding Contribution - Laura Forrest
- Silver Medal for Academic Excellence - Laura Forrest and Paula Andrade
- RK Hardy Prize for Best Dissertation - Mollie Tappenden
- LM Naidoo Prize for Practical Osteopathic Skills - Paula Andrade
- Grey Svenson Bursary - Emily Horsley
- Vice-Chancellors Prize for Clinical Excellence - Raphaele Levy
- Postgraduate Certificate in Specialist Paediatric Osteopathic Education Prize - Melissa Thorpe
- Master of Science in Osteopathy (Pre-Registration) First Year Prize - Stephanie Horsted
- Master of Osteopathy Full-time Third Year Prize - Emily Horsley
- Master of Osteopathy Full-time Second Year Prize - Romy Settbon Moore
- Master of Osteopathy Full-time First Year Prize - Oresztesz Szantai
- Master of Osteopathy Part-time Fourth Year Prize - Claire Massey
- Master of Osteopathy Part-time Third Year Prize - Chelsea Rixson
- Master of Osteopathy Part-time Second Year Prize - Rachel Raymond
- Master of Osteopathy Part-time First Year Prize - Courtney Wheeler
- Access to HE Diploma Prize - Charlotte Kelly





Research and scholarly activities

It has been a busy year for the UCO Research department, including research lecturing, Masters and Doctoral supervision and marking.

The UCO received c. £250,000 from UKRI to develop their knowledge exchange and to enhance the research culture within the institution. The knowledge exchange initiatives encompassed specific events involving UCO's faculty, practising osteopaths in the UK, patients from underrepresented groups, and charitable organizations. The enhancing research culture activities including upskilling faculty members in research, including extending opportunities for more faculty to be research active conducting research projects; and developing an international programme to identify the research priorities in osteopathy in the UK and Europe.

The research team has also continued their efforts towards extending UCO's research impact including dissemination of the research team's work, including peer-reviewed articles, keynote presentations at conferences as well as more active involvement in research outcomes influencing practice.

Above: Graduation 2023 at Bridge Theatre.

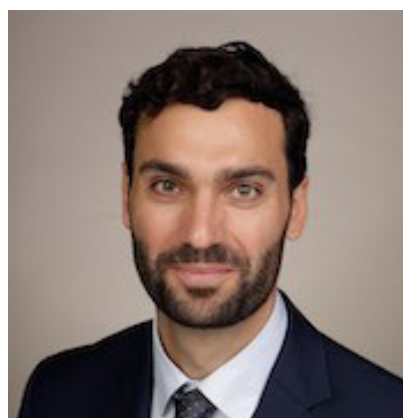
Right: David Hohenschurtz-Schmidt

Funding for post-doctoral position

In November 2022 The Alan and Sheila Diamond Charitable Trust announced their sponsorship of a one-year post-doctoral post for former UCO student, David Hohenschurtz-Schmidt, following his PhD studentship, which was also funded by the Trust.

In his new post-doctoral role, David is continuing his work on osteopathy-based interventions for painful diabetic neuropathy with a clinical trial - NeuOst - testing the feasibility of the newly developed methodological recommendations. Completing this work will set David up to apply for competitive fellowship applications at the National Institute for Health Research and elsewhere, enabling him to apply for larger independent research projects.

David has also recently published a best-practice guideline on this subject in the highly-regarded British Medical Journal.



Our year

iO President's Medal awarded to Yinka Fabusuyi

Senior Practice Educator and UCO alumna Yinka Fabusuyi was awarded with the Institute of Osteopathy's President's Medal, in recognition of her outstanding contribution to the osteopathic profession throughout her varied career.

The award recognised her dedication to championing the profession and person-centred care, as well as her work promoting equality, diversity and inclusion within the profession, including her role as founding Chair of the UCO's black community group and as a team member of the UrGent project (Underrepresented Groups' Experiences in Osteopathic Training) supported by the Institute of Osteopathy (iO) and General Osteopathic Council (GOsC).



Remembering some of our supporters

This year we were deeply saddened by the passing of two of the UCO's longest-running supporters.

Dame Beryl Grey was a dedicated supporter of the osteopathic profession, alongside her husband Dr Sven Svenson. We are particularly grateful for support provided via the Grey Svenson Bursary, awarded annually to a final year student at UCO who has demonstrated particular promise. The bursary, which was established by Dame Beryl Grey following Dr Svenson's death, has helped to support a number of students through their final year of studies.

Through the Alan and Sheila Diamond Charitable Trust, established with her husband in 1976, Sheila Diamond was a philanthropic supporter and friend to the UCO since the mid 1990s. During the past four decades the Alan and Sheila Diamond Charitable Trust has generously supported a range of initiatives and activities, starting with support for our move in the late 1990s from Westminster to Southwark through to sponsorship of the UCO's centenary celebrations at St James's Palace in 2017, capital projects including room namings both in the clinic and teaching site and investment in learning resources. Most recently the Trust funded a joint PhD studentship between the UCO and Imperial College London, and a one-year post-doctoral post for former UCO student, David Hohenschurz-Schmidt looking at peripheral neuropathy a cause.

Our commitment to sustainability

Every year UCO has its energy certificates renewed which provides each building with an energy performance operational rating based on its carbon dioxide (CO₂) emissions. The certificate shows a score and an operational rating on a scale from A (lowest emissions) to G (highest emissions). The typical score for a public building is 100 which gives an operational rating of D. This year the rating for the teaching centre remained at a D whilst that of the clinic moved from an A rating to an E. This was due to the clinic returning to the building after being closed for a year which had given it an unrealistic rating. The E rating was on par with the rating the clinic received prior to Covid and the fire which took place in October 2020.

Factors influencing any pay and reward decisions for all staff include exceptional performance; contribution to the UCO's mission, values and strategic aims; relevant qualifications and areas of skills shortage.

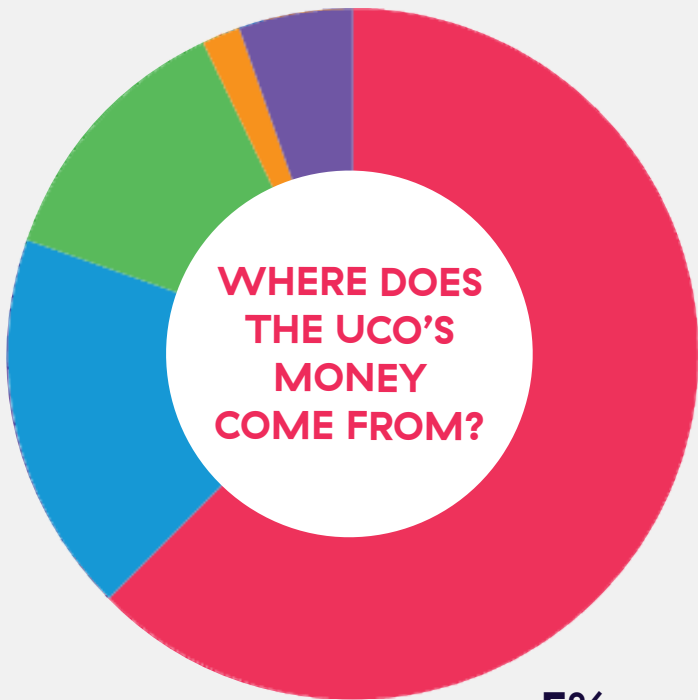
Key management personnel

The UCO has several key management personnel which includes the Vice-Chancellor; Deputy Vice-Chancellor (Education); Deputy Vice-Chancellor (Research); Finance Director; Director of Teaching, Learning & Assessment and Head of Clinical Practice. The Vice-Chancellor's, Deputy Vice-Chancellors' and Finance Director's remuneration, including any performance related pay, is evaluated and decided by the Remuneration Committee which is a subcommittee of the Board. Salaries and benefits for other key management personnel is decided by the Remuneration Committee (for staff) which is made up of members of the Vice-Chancellor's Group.

Value for money

Where the UCO's money comes from and what it is spent on.

TOTAL INCOME
£5.6M



62%
COURSE FEES
£3.5M

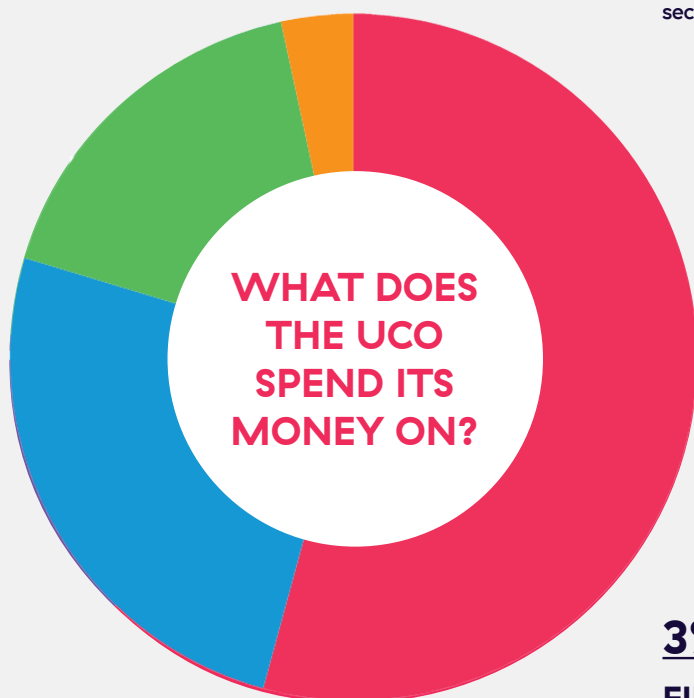
18%
FUNDING BODY GRANTS
£1M

13%
OTHER OPERATING INCOME
£0.7M e.g. clinic patient fees, charges for services.

2%
RESEARCH GRANTS
£0.1M

5%
DONATIONS AND ENDOWMENTS
£0.3M

TOTAL EXPENDITURE £5.9M



54%

STAFF

£3.2M i.e. wages and salaries, social security costs, pension costs.

26%

OTHER OPERATING EXPENSES

£1.5M i.e. staff related costs, teaching materials, ICT, marketing, professional fees, bursaries etc.

17%

BUILDINGS & EQUIPMENT

£1M e.g. costs of acquisition, utilities, premises costs etc.

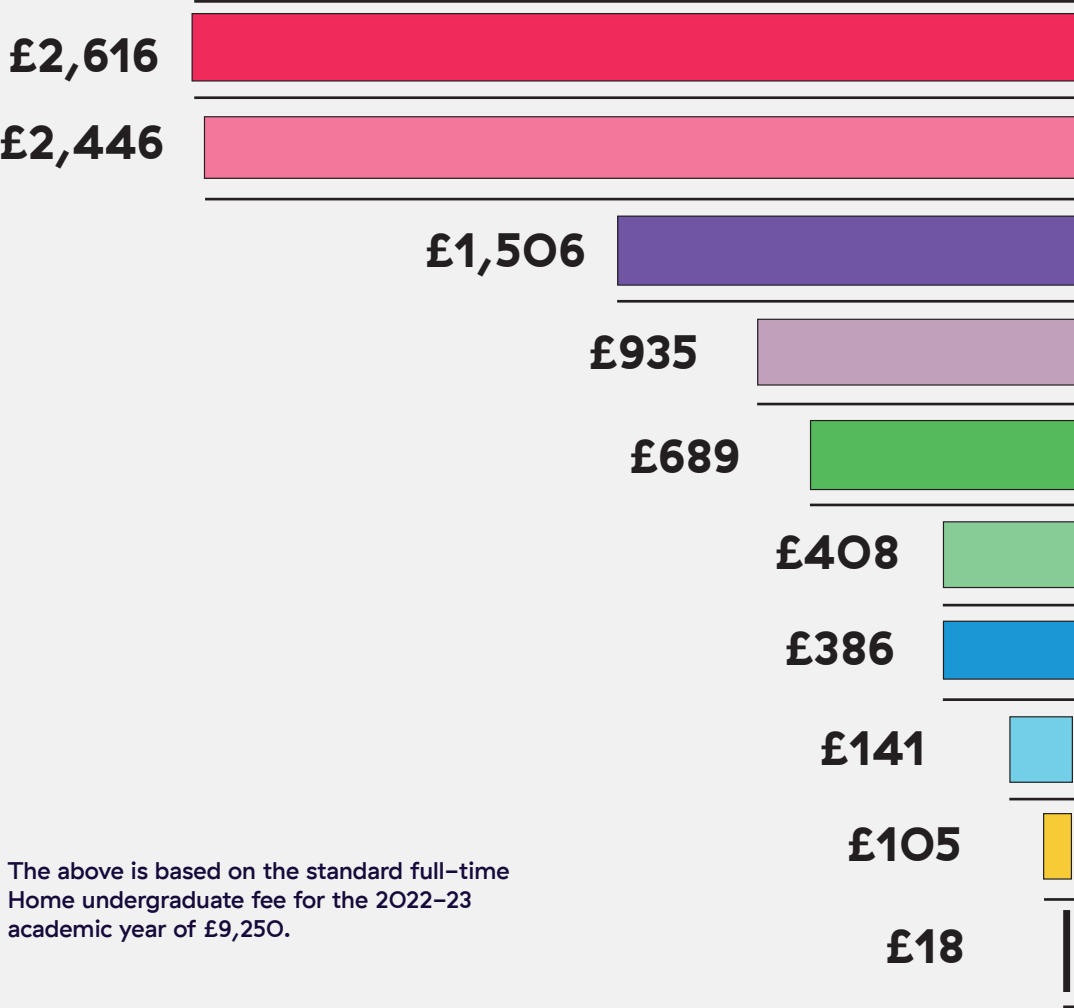
3%

FINANCE COSTS

£0.2M incl. loan interest for our clinic building.

Value for money

Where does the student fee go each year?



The above is based on the standard full-time Home undergraduate fee for the 2022-23 academic year of £9,250.



28%

TEACHING

Lecturers, clinic tutors, course admin, course materials

27%

ESTATES & FACILITIES

Building costs – maintenance, light, heat, cleaning, rates, insurance, service charges, loan interest, estates strategy

16%

ADMINISTRATION

HR, Finance, Vice Chancellor's office

10%

ACADEMIC SERVICES

Registry & student records, Quality office, clinic reception

8%

IT & AUDIO VISUAL SERVICES

IT support

4%

MARKETING

Including access and outreach

4%

STUDENT SUPPORT, LEARNING ADVICE & WELFARE

Student support, learning advice and counselling

2%

BURSARIES

Cash paid to eligible students

1%

GOVERNANCE & STRATEGIC

Board, consultancy, legal

STUDENTS' UNION

Financial review

Our 2022–23 performance and year end position

The UCO budgeted a loss of £148,000 for the 2022–23 year, however, additional expenditure of £0.1m to explore strategic opportunities agreed by the Board in January 2023 has contributed to a negative variance, with the UCO achieving an actual loss of £338,000 for the year.

Total income increased by 1% (£0.1m) from £5.5m to £5.6m, compared to an increase of 5% in 2021–22. Course fee income remained at a similar level to 2021–22, grant income from Research England increased by £102,000, course validation income increased by £93,000 from our partnership with the College of Esports and investment income increased by £36,000. Clinic income is steadily growing and increased by 15% (2022: 28%) from £351,000 in 2021–22 to £402,000 in 2022–23. This is still significantly below pre-pandemic levels of £600,000.

Expenditure increased by 11% from £5.3m to £5.9m, which includes £0.3m (2022: £Nil) paid to the College of Esports (income of a similar amount is included in Course fees income), £0.1m covered energy cost increases and inflationary price increases to our running costs, £0.1m on repairs and maintenance to our buildings and £0.1m was spent by the Board to explore strategic options. Staff costs increased by 0.8% (2022: 1.1%).

The statement of financial position (balance sheet) shows total assets of £9.4m (2022: £10m). Overall net assets decreased by £0.4m (2022: £0.2m increase) from £6.5m to £6.1m. Capital expenditure

amounted to £0.1m which was spent on a new Student Information System, equipment to improve our teaching and student learning experience and IT infrastructure.

Due to the increase in expenditure, the UCO had a net cash outflow for operating activities of £10,000 (2022: £540,000 cash inflow). During the year repayments of our borrowings were £236,000 (2022: £225,000) and the UCO paid loan interest of £169,000 (2022: £143,000). As at 31 July 2023, cash and bank balances held on short-term deposit amounted to £2.3m (2022: £2.6m).

The UCO continues to maintain healthy reserves of £6.1m (2022: £6.5m). £5.6m (2022: £6.0m) held as unrestricted reserves mainly in fixed assets (£2.8m, after taking loans into account) with the remaining reserves amounting to £2.8m. These reserves ensure cover for working capital requirements (£0.4m), manage major unmitigated risks (£0.5m) and also provide resources to cover future losses.

The Board's policy, in view of the short-term nature of most of the funds currently available, is that any cash that is surplus to current operational needs may go on short or longer-term investment, as may be appropriate in accordance with the Board's approved investment guidelines. Investments must be ethical as defined by the Board by reference to the UCO's declared objectives. The ethical policy states that there should be no direct holding of investments in pharmaceutical or tobacco companies, and that the percentage of these industry types in managed funds should not exceed 5% of the managed fund total. The policy provides the terms by which the

investment managers must operate and the performance benchmarks against which they are reviewed. The Board takes professional advice on investments from Rathbones, a leading investment manager for charities and not-for-profit organisations in the UK. The 2022-23 performance of our investment portfolio resulted in a dividend income of £56,000 (2022: £65,000), realised gains amounting to £19,000 (2022: £4,000 loss) and unrealised losses of £85,000 (2022: £38,000 loss).

Principal risks and uncertainties

As at 31 July 2023, the statement of financial position (balance sheet) reflected a net asset position of £6.1m, and the liquidity of the UCO remains strong, with a bank balance of £2.3m and investments of £1.1m. From the beginning of the financial year negotiations with Barclays about the forecasted operating loss for 2022-23, decreased levels of liquidity and covenant testing were a priority to ensure that the UCO could continue to operate as a going concern. Formal agreement has been reached with Barclays to lower the requirements for covenant testing for our loans at the year ended 31 July 2023, with additional testing of quarterly minimum cash balances during 2023-24. The Board anticipates agreeing a variation of our covenants during 2023-24, and recognises that the UCO is dependent on the financial support of the bank, but considers the potential loan breach does not create a material uncertainty relating to its going concern assessment. The UCO has met the first cash balance test on 31 October 2023 and the bank has acknowledged the UCO's concerns regarding course fees, clinic income and its planned merger with the AECC, and will review financial forecasts with actual income and expenditure throughout the coming year. Barclays Bank have continued their longstanding relationship with us and are supportive of our long-term plans.

As part of the Board's consideration of the appropriateness of adopting the going concern basis in preparing the Annual Report and Financial Statements, it has considered whether it believes that the UCO can continue to operate and meet its liabilities, in view of its current position and principal

risks. Financial plans and forecasts have been reviewed with assumptions based on the estimated potential impact of reduced student numbers, clinic income not returning to pre-Covid levels, coinciding with costs of the planned merger with the AECC.

The Board reviewed UCO's estate as part of the recent strategic planning process, recognising the need to provide a high quality environment for staff students and stakeholders. Our current premises in Borough High Street has a lease which expires in 2059 and the Board is mindful that the value of the current lease continues to diminish.

In assessing financial viability, the Board weighed up several key factors, including the position presented in the budget and five-year financial forecasts approved at its meetings in September and November 2023. The UCO has budgeted a loss of £1,009,000 for the year ending 31 July 2024 which includes spending of £404,000 on the planned merger with the AECC. The budget and the 5-year plan will to be reviewed by the Board regularly to assess the financial impact from the specific risks associated with the AECC merger, reduced student numbers, clinic income and increasing costs.

In conclusion, the UCO has adequate resources to continue in operational existence for the foreseeable future and meet its liabilities. As described previously, the Board has considered the UCO's strategic options, concluding that it is no longer financially sustainable in the long term, so has decided to pursue a merger with the AECC.

Statement of corporate governance and internal control

The UCO aims to achieve the highest standards of governance and the Board continually reviews its governance arrangements to ensure that they are in line with the Higher Education Code of Governance as issued by the Committee of University Chairs (CUC). The UCO is committed to following best practice in all aspects of corporate governance and has adopted the core values and principles set out in the Code.

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The University College of Osteopathy (formerly the British School of Osteopathy) was founded on 7 March 1917 and is a charitable company limited by non-equity share capital (company no. 00146343), authorised to omit the word 'limited' from its name by licence granted under Section 60(1) of the Companies Act 2006.

On 24 July 2017, in pursuance of section 129B of the Education Reform Act 1988 as amended, the Privy Council approved the revised Articles of Association of the UCO. This included the new name of the University College of Osteopathy which took effect from 1 September 2017.

The UCO's Chancellor is HRH The Princess Royal, Princess Anne.

The only benefits attributed to share ownership, as stated in the Articles of Association, are membership voting rights and the return of paid-up share capital in the event of the company's liquidation by the membership. The liability of members is limited to £1 per share.

The company was registered with the Charity Commission for England and Wales on 18 June 1963 (charity no. 312873) and became an exempt charity registered with the Higher Education Funding Council for England (HEFCE) in November 2015. Since the replacement of HEFCE in 2018, UCO has been regulated by the Office for Students (OfS).

The Board of Directors

The Board of Directors is the UCO's governing body and holds the pivotal role of determining the UCO's mission, strategic direction, and budget approval, ensuring sound financial management. It is also charged with appointing senior leaders, overseeing academic standards and quality, managing risks, and maintaining the UCO's facilities and infrastructure. Compliance with legal and regulatory requirements, engagement with stakeholders, safeguarding the institution's reputation, and accountability to the wider community are also among the Board's essential functions. It typically meets four times a year but convened nine times in 2022-23.

The Board's rolling agenda is reviewed annually and seeks to:

- Approve the strategic plan and the key performance indicators of the organisation.
- Monitor and evaluate the performance and effectiveness of the UCO against approved key performance indicators.
- Ensure the establishment and monitoring of systems of internal controls and risk assessment.
- Ensure that proper accounts are kept, to approve the annual budget and financial statements, and to have overall responsibility for the UCO's assets, property and estate.

- Monitor and evaluate the Board's effectiveness.
- Safeguard the reputation and values of the UCO.

In addition to undertaking a review of the long-term strategic options for UCO, a key project overseen by the Board in 2022-2023 was to put in place and monitor the implementation of a Governance Effectiveness Action Plan

Board committees

The Board has various sub-committees which operate under specific terms of reference approved by the Board. The Board annually review the committees and their members to ensure there is a balanced range of skills.

The following committees act in an advisory capacity to the Board:

- Audit and Risk Committee
- Board Nominations Committee
- Finance and Estates Committee
- Remuneration Committee

The Audit and Risk Committee (ARC) meets four times a year. It is responsible for advising the Board on the appointment or dismissal of internal and external auditors; reviewing the effectiveness of internal control mechanisms; considering audit reports from the internal and external auditors and management's response to those reports; reviewing the arrangements for the identification and

Statement of corporate governance and internal control

management of risk and reviewing the UCO's annual report and financial statements before their submission to the Board. The Committee submits an annual report to the Board.

The Board Nominations Committee (BNC) meets twice per year to review the composition of the Board and recommend the appointment of members via the Annual General Meeting (AGM) or through Board approval. It oversaw the appointment of the Acting Vice-Chancellor and the interim Chief Operating Officer.

The Finance and Estates Committee (FEC) normally meets four times a year and monitors financial performance, investment performance, sustainability, financial viability and estates strategy.

A Future Proofing Working Group (FPWG) was established by the Board in January 2023 to examine the sustainability of the institution and explore future options that might exist. The group held several meetings during the year and conducted a tender process for an independent consultant to support this work. Several strategic options were explored, with FPWG recommending to the Board a merger with another Higher Education institution. The FPWG was disbanded following the Board's vote to begin merger negotiations with AECC, with two members of the FPWG joining the AECC-UCO programme Board.

The Remuneration Committee is made up of Board Members. The Chair of the Board takes part in discussions regarding the Vice-Chancellor's salary but does not vote as per Committee of University Chairs guidance on good practice.

It meets twice a year and is responsible for reviewing and agreeing the remuneration of the Vice-Chancellor and members of the Vice-Chancellor's Group (see page 36). The committee evaluates the annual performance assessment of the Vice-Chancellor against the strategic plan and corporate objectives and in relation to the remuneration of heads of comparatively sized institutions to inform the setting of the Vice-Chancellor's total remuneration and benefits, including any performance related pay.

It also receives a personal development plan for the Vice-Chancellor for the year ahead. The remuneration for members of the Vice-Chancellor's Group is agreed following recommendations by the Vice-Chancellor. When making any decisions the committee considers the impact on the remuneration policy on the organisation as a whole; public interest and safeguarding of public funds.

The committee follows the 'Higher education senior staff remuneration code' published by the CUC.

- The Vice-Chancellor's basic salary is 3.4 times the median pay of staff (2022: 3.4 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the UCO to its staff.

- The Vice-Chancellor's total remuneration is 5.4 times the median total remuneration of staff (2022: 3.4 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the UCO to its staff.

Charles Hunt, Vice-Chancellor left the UCO on 31 July 2023. His total remuneration is higher than in the previous year. His compensation for loss of office including 3 months ex-gratia payment was in line with the CUC Remuneration Code and approved by the Remuneration Committee.

Academic Council

The Academic Council is chaired by the Vice-Chancellor and is the ultimate academic authority for the UCO. It is responsible for ensuring the academic standards of the Higher Education Institution (HEI) and promoting, regulating and directing the academic work of the UCO, including teaching and research. It oversees academic management and all aspects of quality and standards associated with the UCO. The Academic Council is the forum in which the strategic academic development of the organisation is debated, critically reviewed and proposed to the Board for approval. Membership of the Academic Council is representative of the whole organisation and includes elected student representatives and elected staff representatives. Two members of Academic Council are external; they are not

employed by the UCO and their membership provides an external higher education perspective that is valuable for a small specialist institution. Minutes of Academic Council are seen by the Board.

Risk management and statement of internal controls

The key objective of the UCO's risk management activities is to ensure that policies and procedures are always in place to manage risks and opportunities and therefore enable it to meet its strategic objectives.

Risks are considered as occurrences or opportunities that would impact on the delivery of the UCO's core business, the quality of its outputs, the achievement of its strategic goals or the excellence of its reputation.

The UCO considers risk under the following categories:

1. Major Threats e.g. unethical dealings, failure to comply with legal and regulatory obligations;
2. Strategic/Commercial Risks e.g. under performance of a service, insufficient capital investment;
3. Economical/Financial Risks e.g. failure to meet revenue targets, shortage of working capital;
4. Legal and Regulatory Risks e.g. failure to obtain appropriate approval, loss of intellectual property rights;

Statement of corporate governance and internal control

5. Organisation/Management/Human Factors Risks e.g. Management incompetence, poor leadership;
6. Political Risks e.g. change of government policy, adverse public opinion;
7. Environmental Risks e.g. transport problems;
8. Technical/Operational/Infrastructure Risks e.g. human error, professional negligence; and
9. Operational Risks e.g. lack of clarity of service requirement, inadequate incident handling.

The Audit and Risk Committee provides impartial advice to the Board on the discharge of the Board's responsibilities for the effectiveness of risk management, internal control and management systems, and for the economy, efficiency and effectiveness with which the UCO's activities have been discharged.

All significant risks inherent to the UCO's business are identified, assessed and managed as part of this process. The objectives of the Risk Management policy are to ensure a consistent basis for the identification, measurement, control, monitoring, follow-up and reporting of risk across the institution, based on the UCO's agreed appetite for risk.


The Board is ultimately responsible for the identification and management of risk and views it as an ongoing process linked to the achievement of institutional objectives. Each department is required to produce its own risk register and the Head of Department is responsible for ensuring that the register is produced, regularly monitored

and updated for the Senior Management Team in accordance with the Risk Management Cycle. A consistent methodology for measuring and scoring risks is applied throughout the organisation and risks are recorded in the standard template.

The Executive are fully supported in their risk management work by the Audit and Risk Committee (ARC). Further work was undertaken with respect to the risk register after seeking input from the Senior Management Team, ARC and internal audit. High Level risks are identified by the Vice-Chancellor's Group in consultation with the Senior Management Team and are presented at each ARC meeting with an accompanying update to key changes and action required. This is then reported to the Board. The register is used as one of the main drivers in the development of the internal audit programme ensuring that audit work, where applicable is aligned with key strategic risks.

Risks facing the institution are actively discussed at ARC meetings and various members of the Senior Management Team have been invited to meetings during the year to discuss relevant operational risks in their area in more detail. However, ARC have been mindful of cybersecurity and the IT Director has been asked to present on this issue on more than one occasion.

The internal auditors provide an opinion on the adequacy and effectiveness of the UCO's internal control, risk management and governance arrangements; the arrangements for ensuring the



accuracy of data returns to external bodies; and whether the UCO's activities are conducted economically, efficiently and effectively.

The internal audit plan is based on the UCO's risk register and discussions with the Audit and Risk Committee (ARC). The internal auditors also undertake several benchmarking exercises across the sector which facilitates sharing of best practice and value for money indicators.

The internal auditors undertook the following audit reviews during the year:

- Partnerships
- Student Information System

These audits resulted in the opinion of the Audit and Risk Committee that internal control is mostly adequate and effective. The audits identified some opportunities to enhance design of and the implementation of internal control.

The Board recognises that the application of risk management processes cannot eliminate all risk exposure but keeps all high-level risks under review.

This statement of internal controls covers the financial year to 31 July 2023 and the period to the date of approval of the financial statements on 21 November 2023.

Statement of corporate governance and internal control

Legal and administrative details

The members of the Board who served during the year and up to the date of signing these financial statements are listed below:

Independent Board Members

Professor Joanna Price	Chair of the Board, Board Nominations Committee, Finance & Estates Committee
Jackie Westaway	Vice-Chair of the Board, Board Nominations Committee, Finance & Estates Committee, Remuneration Committee
Raffaella Bush (Resigned June 2023)	Finance & Estates Committee, Chair of Remuneration Committee
Dr Jo-anne Carlyle	Audit & Risk Committee, Remuneration Committee
Christopher Costigan	Chair of Board Nominations Committee, Acting Chair Audit & Risk Committee
Richard Eastmond	Finance & Estates Committee, Chair of Remuneration Committee
Charles Hindson	Substantive Chair of Audit & Risk Committee (not currently attending), Acting Vice-Chair Finance & Estates Committee
David Leppard	Chair of Finance & Estates Committee
Dr Monika Nangia	Audit & Risk Committee
Jeremy Olsen	Audit & Risk Committee

Patient Members

Gael Dundas
(Resigned June 2023)

Fundraising Committee (Independent Member)

Osteopathic Board Members

Jayne Morley

Audit & Risk Committee, Osteopathic Representative
(Independent Member)

Staff Board Members

Martin Pendry
(Appointed October 2022)

Board Member (Staff)

Vice-Chancellor (Ex-officio Board Member)

Charles Hunt
(Resigned July 2023)

Vice-Chancellor, Board Nominations Committee,
Finance & Estates Committee

Sharon Potter
(Appointed July 2023)

Acting Vice-Chancellor, Board Nominations Committee,
Finance & Estates Committee

Student Board Members

Mike Balcombe

Board Member (Student)
Board Nominations Committee

Evita Stucky
(From April 2023)

Board Member (Student Union President - ex-officio)

Other Advisors regularly in attendance

Sean Bonnington

Chair of Fundraising Committee

Company Secretary and Clerk to the Board

Allan Scott

Statement of corporate governance and internal control

Vice Chancellor's Group and Senior Management Team

The Vice-Chancellor's Group and Senior Management Team (SMT) are responsible for the day-to-day operation of the institution. The members of the Vice-Chancellor's Group during the year were as follows:

Charles Hunt	Vice-Chancellor * (resigned July 2023)
Sharon Potter	Deputy Vice-Chancellor (Education) * (Acting Vice-Chancellor, appointed July 2023)
Joanna Smith	Finance Director *
Steven Vogel	Deputy Vice-Chancellor (Research) *

The members of SMT during the year include the Vice-Chancellor's Group and the following people:

Heather Batten	Head of Quality
Jessa Harris	Head of Marketing and Communications
David Kirk	Head of Student Services
Mags Nepal	Finance Manager (Maternity Leave)
Richard Pierce	IT Director
Ian Sanderson	Registrar
Elizabeth Sharma	Head of Estates
Brian Wallen	Finance Manager (Maternity Cover)
Mark Waters	Director of Teaching, Learning & Assessment
Francesca Wiggins	Head of Clinical Practice *

* Key Management Personnel



Professional advisors

External Auditors	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL
Internal Auditors	UNIAC, 4th Floor St James' Building, Oxford Street, Manchester, M1 6FQ
Bankers	Barclays Bank Plc, 1 Churchill Place, London, E14 5HP
Solicitors	Russell-Cooke LLP, 2 Putney Hill, Putney, London, SW15 6AB Shakespeare Martineau LLP, No 1 Colmore Square, Birmingham, B4 6AA
Investments	Rathbone Investment Management, 28 St Andrew Square, Edinburgh, EH2 1AF

Statement of primary responsibilities of the Board

The Board is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the Board to prepare financial statements for the University College of Osteopathy for each financial year.

The financial statements must be prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and are required to give a true and fair view of the state of affairs of the institution and of the income and expenditure of the institution for the year.

In preparing the financial statements the members of the Board are required to:

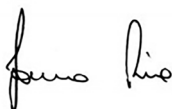
- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019; and of the Office for Students Accounts direction;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the institution will continue in business.

The Board is responsible for ensuring that the institution has appropriate systems of controls, financial and otherwise. The Board is also responsible for keeping accounting records that 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, the Charities Act 2011 and regulations made thereunder. The Board is also responsible for safeguarding the assets of the institution and ensuring their proper application under charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the financial information included on the institution's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions. The Board have confirmed that so far as they are aware, there is no relevant audit information of which the institution's auditors are unaware, and that they have taken all the steps that they ought to have taken as members of the Board to make themselves aware of any relevant audit information.

Appointment of auditors

A resolution for the appointment of Buzzacott LLP was agreed at the Annual General Meeting held on 12 September 2023. The Board Members Report (including the Strategic Report) were approved and authorised for issue by the Board of Directors on 21 November 2023 and signed on behalf of the Board.



Professor Joanna Price
Chair of the Board
21 November 2023

Independent auditor's report to the members

We have audited the financial statements of the University College of Osteopathy (the 'Institution') for the year ended 31 July 2023 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the 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).

In our opinion:

- the financial statements give a true and fair view of the state of the Institution's affairs as at 31 July 2023 and of its income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended. They take into account relevant statutory and other mandatory disclosure and accounting requirements, and the requirements of the OfS;
- the financial statements have been properly prepared in accordance with the financial reporting standards (FRS102) and the Statement of Recommended Practice Accounting for further and higher education and relevant legislation; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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



Material uncertainty relating to going concern

We draw attention to Board's "assessment of going concern" on page 50 of the financial statements which confirms their intention to merge with AECC UC by 31 July 2024. As disclosed, UCO has also considered its financial viability for a year from approval of the financial statements in the event that a merger is not completed by this point and has concluded that, with the support of the lender, it will remain financially viable for this period. In the event that a merger goes ahead, UCO would no longer remain as a going concern. Therefore, the possibility of a merger being completed within the going concern period creates material uncertainty relating to the going concern status of UCO, which has been appropriately disclosed.

Our opinion is not modified in respect of this matter.

Other information

The Board members 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.

In connection with our audit of the financial statements, 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.

Opinions on other matters prescribed by the Office for Students

In our opinion, in all material aspects:

- funds from whatever source administered by the University for specific purposes have been properly applied only for those purposes for which they were received, and managed in accordance with relevant legislation;
- funds provided by the OfS, UK Research and Innovation (including Research England), the Education

Independent auditor's report to the members

and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and

- the requirements of OfS's Accounts Direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Office for Students requires us to report to you where:

- The University's grant and fee income, as disclosed in note 1 to these financial statements, has been materially misstated; or
- The University's expenditure on access and participation activities for the financial year has been materially misstated.

Opinions on other matters prescribed by the Companies Act 2006


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

- the information given in the Board members' report, which is also the directors' report for the purposes of company law, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Board members' report, which is also the directors' report for the purposes of company law, including the Strategic Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 Board members' report including the Strategic 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:

- the statement of internal control included as part of the Corporate Governance Statement is inconsistent with our knowledge of the Institution;
- 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.

Responsibilities of Board members

As explained more fully in the Board members' responsibilities statement, the Board members (who are also the directors of the charitable company 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board members either intend to liquidate the Institution or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of 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.

Independent auditor's report to the members

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Institution through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Institution, including the Further and Higher Education Act 1992, Companies Act 2006, funding agreements with the OfS and associated funding rules, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- used data analytics to investigate the rationale behind any significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of Board members' meetings;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any available correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Board members and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Buzzacott LLP

Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London EC2V 6DL
24 November 2023

Statement of comprehensive income

	Notes	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Income			
Course fees	1,2	3,480	3,428
Funding body grants	1,2	1,030	901
Research grants and contracts	3	74	84
Other income	4	746	868
Investment Income	5	103	67
Donations and endowments	6	174	197
Total Income		5,607	5,545
Expenditure			
Staff costs	7	3,175	3,149
Other operating expenses	9	2,338	1,763
Depreciation	11,12	263	294
Interest and other finance costs	8	169	143
Total expenditure		5,945	5,349
(Loss) Surplus before other gains, losses and share of operating surplus		(338)	196
Loss on disposal of fixed assets		-	(1)
Loss on investments		(66)	(42)
Total comprehensive income for the year		(404)	153
Represented by:			
Endowment comprehensive income for the year		-	-
Restricted comprehensive income for the year		10	(61)
Unrestricted comprehensive income for the year		(414)	214
		(404)	153

All items of income and expenditure arise from continuing operations.

Statement of changes in reserves

	Income and expenditure account			Share Capital	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000	£'000
Balance at 1 August 2021	12	499	5,828	1	6,340
(Deficit)/Surplus from the income and expenditure statement	-	(61)	214	-	153
Total comprehensive income for the year	-	(61)	214	-	153
Balance at 1 August 2022	12	438	6,042	1	6,493
Surplus/(deficit) from the income and expenditure statement	-	10	(414)	-	(404)
Total comprehensive income for the year	-	(61)	214	-	153
Balance at 31 July 2023	12	448	5,628	1	6,089

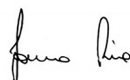
Statement of financial position

	Notes	2023 £'000	2022 £'000
Non-current assets			
Intangible assets	11	158	119
Tangible fixed assets	12	5,625	5,829
Investments	13	1,127	1,144
Social Investments	14	9	20
		6,919	7,112
Current assets			
Trade and other receivables	15	244	285
Cash and cash equivalents		2,267	2,618
		2,511	2,903
Less: Creditors: amounts falling due within one year	16	782	1,684
Net current assets		1,729	1,363
Total assets less current liabilities		8,648	9,331
Creditors: amounts falling due after more than one year	17	2,559	1,838
Total net assets		6,089	6,493
Share capital	18	1	1
Restricted Reserves			
Income and expenditure - endowment reserve	19	12	12
Income and expenditure - restricted reserve	20	448	438
Unrestricted Reserves			
Income and expenditure reserve - unrestricted		5,628	6,042
Total Reserves		6,089	6,493

The financial statements of the University College of Osteopathy, company registration number 00146343 were approved by the Governing Body on the 21 November 2023 and were signed on its behalf by:



Sharon Potter
Acting Vice-Chancellor



Professor Joanna Price
Chair of the Board

Statement of cash flows

	Notes	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Cash flows from operating activities			
(Deficit) Surplus for the year		(404)	153
Adjustment for non-cash items			
Amortisation of intangible assets	11	11	11
Depreciation of tangible fixed assets	12	252	283
Loss on disposal of fixed assets		-	1
Loss on investments		66	42
Decrease in social investments	14	11	13
Decrease (Increase) in debtors	15	41	(71)
Increase in creditors	16	56	62
Adjustment for investing or financing activities			
Investment income	5	(103)	(67)
Interest payable	8	169	143
Capital grant income		(49)	(30)
Other adjustment for investing or financing activities		6	7
Net cash flow (used in) provided by operating activities		56	547
Cash flows from investing activities			
Capital grant receipts		49	30
Investment income		47	2
Purchase of intangible assets		(50)	(84)
Purchase of tangible fixed assets		(48)	(118)
		(2)	(170)
Cash flows from financing activities			
Interest paid		(169)	(143)
Repayments of amounts borrowed	17	(236)	(225)
		(405)	(368)
Decrease in cash and cash equivalents in the year		(351)	9
Cash and cash equivalents at beginning of the year	21	2,618	2,609
Cash and cash equivalents at end of the year	21	2,267	2,618

Statement of principal accounting policies

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS 102). The institution is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

The financial statements are prepared in accordance with the historical cost convention, except for investments which are stated at market value.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

Basis of consolidation

As the subsidiary company has been dormant for the current and preceding years and has no material assets or liabilities, the UCO is not presenting consolidated financial statements.

The financial statements do not include the income and expenditure of the Students' Union as the institution does not exert control or dominant influence over policy decisions.

Critical accounting estimates and areas of judgement


Preparation of the financial statements requires members to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include the estimation of the useful economic life of tangible fixed assets and intangible assets for the depreciation and amortisation charge, and the estimation of the provision of bad and doubtful debts in relation to student debtors and loans issued, and the identification of 'customisation' in the implementation of the new student records system in order for these to qualify as capital for an intangible asset.

Assessment of going concern

The Board assess whether the use of going concern is appropriate, i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the UCO to continue as a going concern. The Board make an assessment in respect of a period of at least one year from the date of authorisation for the issue of the financial statements.

As at 31 July 2023, the statement of financial position (balance sheet) reflected a net asset position of £6.1m and the liquidity of the UCO remains strong with a bank balance of £2.3m and



investments of £1.1m. Formal agreement has been reached with Barclays to lower the requirements for covenant testing for our loans at the year ended 31 July 2023 with additional testing of quarterly minimum cash balances during 2023-24. The Board anticipates agreeing a variation of our covenants during 2023-24 and recognises that the UCO is dependent on the financial support of the bank but considers the potential loan breach does not create a material uncertainty relating to its going concern assessment. The UCO has met the first cash balance test on 31 October 2023 and the bank has acknowledged the UCO's concerns regarding course fees, clinic income and its planned merger with the AECC, and will review financial forecasts with actual income and expenditure throughout the coming year. Barclays Bank have continued their longstanding relationship with us and are supportive of our long-term plans.

As part of the Board's consideration of the appropriateness of adopting the going concern basis in preparing the Annual Report and Financial Statements, it has considered whether it believes that the UCO can continue to operate and meet its liabilities, in view of its current position and principal risks. Financial plans and forecasts have been reviewed with assumptions based on the estimated potential impact of reduced student numbers, clinic income not returning to pre-Covid levels, coinciding with increased costs of the planned merger with the AECC, along with proposed responses over the course of the next 12 months.

Further detail is provided in the Financial review section.

In light of the above, the Board has concluded that the UCO is no longer financially sustainable as a standalone entity in the long term, so has decided to pursue a merger with the AECC.

Following the signing of Heads of Terms with AECC University College (AECC UC) in October 2023 confirming the intention for the two institutions to merge, a legally binding transfer agreement is likely to be agreed illustrating the terms of the legal transfer of all assets, liabilities and undertakings to AECC UC by 31 July 2024.

Nevertheless, should the merger not take place, the going concern status of the University will not be compromised as contingency plans have been reviewed at its Board meeting held on 17 October 2023, confirming UCO has adequate resources and a number of mitigating options that can be actioned as required in order for the University to continue operating.

If the merger goes ahead as planned, the activities of the UCO will transfer to AECC and the UCO, as a legal entity, will wind up.

Statement of principal accounting policies

Income recognition

Income from the sale of goods or services is credited to the statement of comprehensive income and expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure which is not a discount and credited to the statement of comprehensive income and expenditure 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 discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Funds that the institution receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the institution where the UCO is exposed to minimal risk or enjoys a minimal economic benefit related to the transaction.

Grant funding

Funding Council grants are received direct from the Office for Students and 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 the 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.

Grants (including research grants) from non-government sources are recognised in income when the UCO is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as conditions are met.

Clinic income

Income from the clinic is recognised on successful delivery of an appointment. Payment is only made on the day of an appointment and therefore income is recognised on receipt.

Donations and endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the institution is entitled to the funds. Income is retained within the restricted reserve until such time it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the institution is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms applied to the individual endowment fund.

There are four main types of donations and endowments identified within reserves:

Restricted donations

The donor has specified that the donation must be used for a particular objective.

Restricted permanent endowments

The donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

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.

Pension scheme

The UCO operates a defined contribution group personal pension plan whereby it pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined

contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

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. Any unused benefits are accrued and measured as the additional amount the institution expects to pay as a result of the unused entitlement.

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 minimum lease term.

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Statement of principal accounting policies

Land and buildings

Leasehold land and buildings are stated at cost. Costs incurred in relation to land and buildings after the initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the institution.

Leasehold land and buildings are depreciated over 50 years.

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

Equipment

Equipment, including computers and software, costing less than £500 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:

Computer Equipment	4 years
General Equipment	5 years
Furniture and Fittings	5 years

Depreciation methods and useful lives are reviewed at the date of preparation of each balance sheet.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Intangible assets

Intangible assets are amortised over 5 years representing the remaining estimated economic life of the assets. They are subject to periodic impairment reviews as appropriate.

Investments

Investments are stated at market value at the balance sheet date. Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the Statement of Comprehensive Income and Expenditure and are credited (or debited) in the year in which they arise.

Social investments

Social investments are investments made directly in pursuit of the charitable purposes of the entity. These are in the form of loans to students and are held at cost, less any provisions to reflect non-recoverability.

Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Taxation

The institution is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the institution is potentially exempt from taxation in respect of income or capital gains received within the categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The institution receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

Reserves

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

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

Notes to the financial statements

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
1. Sources of grant and fee income		
Office for Students	625	617
Research England	356	254
Capital grant	49	30
Fee income for taught awards (exclusive of VAT) (see note 2)	3,368	3,318
Fee income from non-qualifying courses (exclusive of VAT) (see note 2)	112	110
	4,510	4,329
2. Course fee income		
UK domicile full-time undergraduate students	1,844	1,644
UK domicile full-time postgraduate taught students	113	109
UK domicile part-time undergraduate students	776	828
UK domicile part-time postgraduate taught students	27	32
Total UK fees	2,760	2,613
EU domicile full-time undergraduate students	152	162
EU domicile part-time undergraduate students	146	199
EU domicile part-time postgraduate taught students	4	3
Total EU fees	302	464
Non-EU domicile full-time undergraduate students	260	218
Non-EU domicile full-time postgraduate taught students	31	19
Non-EU domicile part-time undergraduate students	16	-
Non-EU domicile part-time postgraduate taught students	-	4
Total non-EU fees	307	241
Non-credit bearing course fees	93	101
FE course fees	18	9
	3,480	3,428

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
3. Research grants and contracts		
UK-based Charities	74	84
Other	-	-
	74	84
4. Other income		
Subcontracted in course fees	308	215
Clinic income	402	351
Insurance claims	-	229
Other income	36	73
	746	868
5. Investment Income		
Interest on cash deposits	47	2
Dividends and interest on listed investments	56	65
	103	67
6. Donations and endowments		
Donations with restrictions	90	2
Unrestricted donations	79	26
Legacy income - unrestricted	5	169
	174	197

Notes to the financial statements

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
7. Staff costs		
Salaries	2,809	2,788
Social security costs	264	258
Pension costs	102	103
	3,175	3,149

Total remuneration of the Vice-Chancellor who is employed full-time:	£	£
Salary	132,900	132,700
Compensation for loss of office	75,543	-
Taxable Benefits	396	226
Pension Contributions	5,316	5,308
Pension Contributions for loss of office	3,022	-
	217,177	138,234

Charles Hunt, Vice-Chancellor left the UCO on 31 July 2023. His compensation for loss of office including 3 months ex-gratia payment was in line with the CUC Remuneration Code and approved by the Remuneration Committee. Following his departure, Sharon Potter was appointed Acting Vice-Chancellor effective from 1st August 2023.

Compensation for loss of office for all staff including the Vice Chancellor amounted £89,550 for 5 staff.

Average staff numbers by major category:	No.	No.
Academic	39	40
Clinic	40	38
Research	8	8
Management and Fundraising	12	11
Property management	1	1
ICT	4	5
Facilities	1	1
	105	105

	Year ended 31 July 2023	Year ended 31 July 2022
Average staff FTE numbers by major category:	FTE	FTE
Academic	25	28
Clinic	21	19
Research	5	6
Management and Fundraising	11	11
Property management	1	1
ICT	4	5
Facilities	1	1
	68	71

Except for the Vice-Chancellor, noted above, no other employee received remuneration of £100,000 or more during the financial year.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the institution. They include the Vice-Chancellor, Deputy Vice-Chancellor (Education), Deputy Vice-Chancellor (Research), Director of Teaching, Learning & Assessment, Head of Clinical Practice and Finance Director.

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Salary and benefits of key management personnel including employer's NIC and pensions.	628	514

Notes to the financial statements

Board members

Due to the nature of the institution’s operations and the composition of the Board, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board may have an interest. All transactions involving organisations in which a member of the Board may have an interest, including those identified below are conducted at arm’s length and in accordance with the institution’s financial regulations and procurement procedures. Transactions totalling £18,735 (2022: £18,813) were paid to GuildHE of which a board member who resigned in June 2022 is the Deputy CEO.

The trustees received no remuneration in respect of their services as board members. Certain members of the institution’s staff served as board members and received remuneration (including pension contributions) for teaching and management amounting to £38,941 (2022: £8,250).

No board member has received any waived payments from the institution during the year (2022: none). The total expenses paid to or on behalf of 1 board member was £811 (2022: £466 to 3 board members).

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
8. Interest and other finance costs		
Loan interest	169	143

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
9. Analysis of other operating expenses		
Staff related costs	283	187
Facilities & Estates	654	533
Utilities	234	167
IT	199	156
Materials and consumables	19	14
Services	471	241
Stationery and printing	18	13
Marketing and communications	54	56
Professional fees and subscriptions	295	200
Student awards and bursaries	86	80
Bank charges	25	26
	2,338	1,673
Expenditure related to the fire in clinic	-	90
	1,763	1,474
External auditor's remuneration in respect of audit services (current year)	25	20
External auditor's remuneration in respect of audit services (prior year)	2	-
Operating lease rentals: Land and buildings	20	20
10. Access and Participation expenditure		
Access investment	167	167
Financial support provided to students	103	86
Support for disabled students	16	21
Research and evaluation	12	11
	298	285

The access investment expenditure for the year ended 31 July 2023 includes staff costs of £157,930 (2022: £161,955).

uco.ac.uk/life-uco/student-support/access-and-participation

Notes to the financial statements

11. Intangible assets

£'000

Software

Cost

At 1 August 2022	181
Additions	50
At 31 July 2023	231

Amortisation

At 1 August 2022	62
Amortisation charge for the year	11
At 31 July 2023	73

Net book value

At 31 July 2023	158
At 31 July 2022	119

The UCO implemented a new student records system at a total cost of £158,000 over 2 years, of which £108,000 was included as an addition in 2022, £50,000 in 2023 and £24,000 is committed for the year ended 31 July 2024.

12. Tangible fixed assets

	Leasehold property £'000	Computers and video equipment £'000	Furniture, fixtures & equipment £'000	Total £'000
Cost				
At 1 August 2022	8,516	707	320	9,543
Additions	-	46	2	48
Disposals	-	-	-	-
At 31 July 2023	8,516	753	322	9,591
Depreciation				
At 1 August 2022	2,870	563	281	3,714
Charge for the year	170	62	20	252
Written off on disposal	-	-	-	-
At 31 July 2023	3,040	625	301	3,966
Net book value				
At 31 July 2023	5,476	128	21	5,625
At 31 July 2022	5,646	144	39	5,829
Analysis of leasehold property:			2023	2022
			£'000	£'000
Long leasehold			2,866	2,958
Improvements to the long leasehold property			2,610	2,688
			5,476	5,646

The leasehold properties are charged as security for the bank loan as disclosed in note 17.

Notes to the financial statements

13. Non-current investments

	Subsidiary Company	Other fixed assets investments	2023	2022
	£'000	£'000	£'000	£'000
Market value at 1 August 2022	1	999	1,000	1,113
Additions at cost	-	165	165	-
Disposal proceeds	-	(74)	(74)	(71)
Realised gain (loss)	-	19	19	(4)
Disposals at book value	-	(55)	(55)	(75)
Unrealised loss	-	(85)	(85)	(38)
Market value at 31 July 2023	1	1,024	1,025	1,000
Investment cash at 1 August 2022	-	144	144	15
Purchases	-	(165)	(165)	-
Disposal proceeds	-	74	74	71
Dividends	-	55	55	65
Management fees	-	(6)	(6)	(7)
Investment cash at 31 July	-	102	102	144
Market value of listed investments and cash at 31 July 2023	1	1,126	1,127	1,144
Cost of listed investments	1	1,175	1,176	1,109

Investment in subsidiary company

On 20 May 1999, the UCO invested £1,000 in the BSO Trading Company Limited, a company registered in England and Wales. This investment represents 1,000 ordinary shares of £1 each, being the whole of the issued share capital of the company.

These shares were fully paid up on 9 March 2000.

During prior years as well as the year ended 31 July 2023 the company did not trade. Its reserves at 31 July 2023 were £15 (2022: £15). We have commenced proceedings to wind up this company.

14. Social investments

	2023	2022
	£'000	£'000
Amounts due from students	9	20

15. Trade and other receivables

	2023	2022
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	23	46
Other receivables	4	57
Prepayments	199	182
Accrued income	18	-
	244	285

16. Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Secured loans (see note 17)	245	1,203
Trade payables	212	119
Other payables	66	69
Social security and other taxation payable	101	72
Accruals	158	221
	782	1,684

Notes to the financial statements

17. Creditors: amounts falling after more than one year	2023	2022
	£'000	£'000
Secured loans	2,804	3,041
Analysis of secured loans:		
Due within one year (see note 16)	245	1,203
Due between one and two years	257	149
Due between two and five years	847	509
Due in five years or more	1,455	1,180
Due after more than one year	2,559	1,838
Total secured loans	2,804	3,041

The amount above comprises of the following loans:

- A loan in the sum of £3,100,000 from Barclays to finance the acquisition of the long leasehold property in Southwark Bridge Road in August 2007, repayable over 25 years at a fixed interest of 6.38%.
- A second loan in the sum of £2,069,000 from Barclays Bank PLC to finance the fit-out to the long leasehold property in August 2007. The UCO completed a new 5-year variable rate facility for this loan on 30 November 2022 of £1.030m that is due for repayment by 31 August 2027 and incurs a rate of interest at 1.5% above Bank of England rate.

The total capital loan repayments during the year amount to £235,818 (2022: £225,396). Both loans are secured on the properties 275 Borough High Street and 98-118 Southwark Bridge Road.

18. Share capital

	2023	2022
	£	£
Ordinary shares	482	482
“B” shares (with no voting rights)	94	94
Share Premium	396	396
Total	972	972

	Authorised		Allotted, issued and fully paid	
	2023	2022	2023	2022
	£	£	£	£
Ordinary shares of £1 each	4,906	4,906	482	482
“B” shares of £1 each	94	94	94	94
Total	5,000	5,000	576	576

Notes to the financial statements

19. Endowment reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £'000	2023 Total £'000	2022 Total £'000
R K Hardy Prize Fund	12	12	12

This is a memorial fund established on 7 May 1993. The interest on the capital, which is used to give a graduation prize to one student annually, is recognised as income within restricted reserves.

The R K Hardy Prize Fund was registered on 23 August 2002 as a subsidiary charity, registration number 312873-1, with a permanent endowment fund and linked to the UCO. For the purpose of these accounts the charity is accounted for as a restricted permanent endowment on the basis that the management of its assets is undertaken by the institution.

20. Restricted reserves

Reserves with restrictions are as follows:

	Donations £'000	2023 Total £'000	2022 Total £'000
Balances at 1 August 2022	438	438	499
Research grant	50	50	-
New donations	40	40	2
Expenditure	(80)	(80)	(63)
Total restricted comprehensive income for the year	10	10	(61)
At 31 July 2023	448	448	438

	2023 £'000	2022 £'000
Analysis of restricted reserves balances by type of purpose:		
Research grant	4	9
UCO Student fund	192	210
Scholarships and bursaries	79	41
Prize funds	173	178
	448	438

Research grant

The Alan and Sheila Diamond Charitable Trust generously provided funding for research into the prevention, treatment and cure of the effects of Peripheral Neuropathy. This project was a 3-year fully funded PhD programme in collaboration with Imperial College London and ended in September 2022. A further grant of £50,000 was received in October 2022 for research into Peripheral Neuropathy relating to diabetes which is a one year post-doctoral project.

UCO Student fund

This was established on 7 April 1992. The fund provides funding to students who demonstrate the ability to qualify as osteopaths but have limited resources to pay their fees.

Scholarships and bursaries

Scholarships and bursaries consist of £42,000 donated by the Birmingham and District Osteopathic clinic to create The Vaughan McDermott Bursary fund which provides financial assistance to a promising student who preferably has resided in or has a connection to the West Midlands.

Prize funds

Prize funds consist of the following:

- the Sven Svenson Bursary Fund which was set up by Dame Beryl Grey DBE in memory of her late husband who was an osteopath to provide an award to a final year student who demonstrates exceptional promise.
- the Lutchman Naidoo Practical Skills Prize Fund which was part of a legacy bequeathed to the UCO in the sum of £200,000. A prize is awarded annually to a student at graduation.

Notes to the financial statements

21. Cash and cash equivalents

	At 1 August 2022	Cash flows	At 31 July 2023
	£'000	£'000	£'000
Cash and cash equivalents	2,618	(351)	2,267
Investment bank account	144	(42)	102
	<u>2,762</u>	<u>(393)</u>	<u>2,369</u>


22. Students' Union

The institution holds £2,115 in separate bank accounts on behalf of the UCO Students' Union (2022: £4,868).

24. Lease obligations

Total rentals payable under operating leases:

	Land and Buildings	Total 31 July 2023	Total 31 July 2022
	£'000	£'000	£'000
Payable during the year	20	20	20
Future minimum lease payments due:			
Not later than 1 year	20	20	20
Later than 1 year and not later than 5 years	80	80	80
Later than 5 years	620	620	640
	<u>720</u>	<u>720</u>	<u>740</u>



The University College of Osteopathy has two properties, both purchased under long leasehold arrangements. The Clinic at 98-118 Southwark Bridge Road is subject to a £350 per annum peppercorn rent until the lease expires in the year 3000 whilst the Teaching Centre at 275 Borough High Street is subject to a £20,000 per annum rental charge (liable for a review in 2026) until the lease expires in 2059, which has been disclosed above.

25. Pension scheme

The institution operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the institution in independently administered funds. Contributions paid by the institution to this scheme, on behalf of 104 staff (2022:105 staff) amounted to £101,936 (2022: £102,570).

26. Ultimate controlling party

The members do not believe there is an ultimate controlling party of the University College of Osteopathy in the year ended 31 July 2023 or 31 July 2022.

27. Post balance sheet events

Following the signing of Heads of Terms with AECC University College (AECC UC) in October 2023 confirming the intention for the two institutions to merge, a legally binding transfer agreement is likely to be agreed illustrating the terms of the legal transfer of all assets, liabilities and undertakings to AECC UC by 31 July 2024.

For further information, please contact:

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