

Regent's College

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 July 2011

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Regent's College

LEGAL AND ADMINISTRATIVE INFORMATION

The company's directors are its Trustees and its members for the purposes of charity law and throughout this report are collectively referred to as the Trustees and members respectively

Trustees

Laurence Barrett¹ (appointed 14 October 2010)
Carole Baume³ (appointed 14 October 2010)
Sharon Doherty (resigned 14 October 2010)
Mary Kerr² (appointed 14 October 2010)
Dr Clare McConnell¹
Ian Mehrtens – (reappointed 14 October 2010) Chairman
Shona Milne² (appointed 14 October 2010)
Elisa Nardi³ (appointed 14 October 2010)
Professor Stephen Newstead^{3,4}
Raj Pradhan – Deputy Chairman
Carol Rue^{2,4}
Professor Andrew Sanders¹
Bob Schuler²
Anne Seaman² (appointed 14 October 2010)
Murray Thomas³ (appointed 14 October 2010)
John Wood^{1,4} (reappointed 14 October 2010)

¹ Member of the Audit Committee at 31 July 2011

² Member of the Finance and General Purposes Committee at 31 July 2011

³ Member of the Human Resources Committee at 31 July 2011

⁴ Member of the Remuneration Committee at 31 July 2011

The Chairman and Vice-Chairman are ex-officio members of the committees

The members of the Board of Trustees are elected by a simple majority of the Trustees themselves. There are also provisions in the Articles of Association for the removal of Trustees. The Trustees hold office until the end of the next meeting of the Board following the third anniversary of their appointment and, if they so wish, offer themselves for re-election for a further three-year term. No Trustee shall serve for more than two three-year terms. However, there is provision for a trustee to serve for up to a further three years in annual tranches if explicitly requested to do so by the Board of Trustees.

Principal and Chief Executive Officer

Professor Aldwyn Cooper

Secretary

Sinéad McQuillan (appointed 22 February 2011)

Registered Office and Principal Address

Inner Circle
Regent's Park
London
NW1 4NS

External Auditor

BDO LLP
Emerald House
East Street
Epsom, Surrey
KT17 1HS

Regent's College

LEGAL AND ADMINISTRATIVE INFORMATION

Internal Auditors

Kingston City Group
Head Office
3rd Floor
Millennium House
21 Eden Street
Kingston Upon Thames
Surrey
KT1 1BL

Solicitors

Mills & Reeve LLP
Francis House,
112 Hills Road
Cambridge
CB2 1PH

Bankers

Barclays Bank plc
Level 28
1 Churchill Place
Canary Wharf
London
E14 5HP

Investment Managers

Cazenove Capital Management Limited
12 Moorgate
London
EC2R 6DA

Baring Asset Management Ltd
PO Box 55736
50 Bank Street
Canary Wharf
London
E14 1BT

Insurance Brokers

Marsh Limited
International House
Southampton International Business Park
George Curl Way
Southampton
SO18 2RZ

Regent's College

TRUSTEES' REPORT

The Trustees are pleased to present their report for the year ended 31 July 2011. This report is prepared in accordance with the recommendations of the Statement of Recommended Practice – Accounting and Reporting by Charities (2005) and complies with applicable law.

Status and Administration

Regent's College ("The College") was founded in 1984 and is a company limited by guarantee, not having a share capital. The College is a registered charity, registered at the Charity Commission under charity number 291583. It is governed by its Articles of Association.

New Trustees are recruited by advertising in the national press and through appropriate recruitment agencies and there is a formal training and induction process for Trustees. The Trustees are invited to meet with the Chairman and key personnel to discuss the operation and administration of the College.

The Board of Trustees meets four times a year and has complete responsibility for the stewardship of the Charity's assets, its members focus on strategic decision making and ensuring adherence to its charitable objectives whilst delegating day-to-day operational responsibilities to the Chief Executive and senior management team.

Four committees of Trustees carry out certain tasks within specific terms of reference as follows:

- Audit Committee
- Finance and General Purposes Committee
- Human Resources Committee
- Remuneration Committee

At the year end, the Board of Trustees comprised 15 Trustees.

Charitable Objects

The Objects of the Charity, as set out in the Articles of Association (dated 12 May 2010), are the advancement of education for the public benefit and the foundation, maintenance and support of an educational college or colleges for students, both male and female, to include residential accommodation and all necessary and proper ancillary services for such establishment.

Board Policy

The Trustees work to a comprehensive set of governance documents.

It is the aim of the Trustees to develop and support the delivery of the College's key strategies linked to a five-year Strategic Plan. There is an annual cycle whereby the plan is reviewed and revised to reflect changing circumstances and priorities and the plan is reconfirmed by the Trustees on an annual basis. Accordingly the most recent iteration was discussed by the Trustees on 28 October 2011.

In addition, the Trustees' role includes:

- The building and development of a strong Trustee board,
- The continuing process of embedding good governance throughout the College,
- Playing a leading role in the College's continuing development, and
- The full integration of all the Schools within the Regent's College unified structure in line with its status as an educational charity and to undertake and support various charitable activities in pursuit of this objective.

The College will encourage an environment where every opportunity is given for both students and staff to further their knowledge and enrich their lives. Within this, the Trustees have given their full support in the furtherance of the College's core values, being:

- Excellence
- Professionalism and Employability
- Entrepreneurship
- Maximising individuals' potentials

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- Internationalism
- Diversity
- Citizenship
- Public Benefit

College Strategy

The central strategic objective for the College during the current five year planning period is the acquisition of Taught Degree Awarding Powers and progress towards full university college status to the benefit of past, present and future students and staff

The College Mission

Developing tomorrow's global leaders

What we are

A leading, independent, not-for-profit, Higher Education Institution

What we do

Provide a high quality teaching environment to develop internationally-aware, innovative and employable graduates

We deliver this through constant innovation, enhancement and attention to excellence

College Structure

The College has two faculties to deliver its core business, 'Business and Management' and 'Humanities, Arts and Social Science' The faculties incorporate subject based academic communities departments and a number of clear brands which own and manage portfolios of programmes The faculties comprise the following:

Business and Management

- European Business School London

The School provides courses of study leading to Bachelor of Arts degrees, Bachelor of Science degrees and Masters programmes validated by the Open University (The Open University Validation Service - OUVS) The academic programmes focus on intellectual and cultural depth with international perspectives and there is a special interest in learning languages Students attend from around the world Additionally, the School receives exchange students from overseas partner institutions

- Regent's Business School London

The School provides courses of study leading to Bachelor of Arts and Bachelor of Science degrees, together with Masters programmes, all validated by OUVS The academic programmes emphasize intellectual and cultural learning with students attending from around the world

Humanities, Arts and Social Sciences

- Regent's American College London

This College provides courses of study leading to Bachelor of Arts and Bachelor of Science degrees, accredited by Webster University of St Louis, Missouri, USA The academic programmes are grounded in the Liberal Arts and Science tradition developed in the USA, focusing on intellectual and cultural depth Additionally the College hosts a study abroad programme for American undergraduates from universities and colleges affiliated to the Regent's American College London

- Regent's College School of Psychotherapy & Counselling Psychology

The School has an international reputation as one of the UK's leading therapeutic training institutions, delivering professional training and academic education in psychotherapy, counselling and counselling psychology, from foundation level to doctorate

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- Webster Graduate School London

This School provides courses of study leading to Master of Arts and Master of Business Administration Degrees, accredited by Webster University of St Louis, Missouri, USA

- London School of Film, Media and Performance

This School, established in 2010 provides a range of programmes in the creative industries validated by OUVS. Programmes are currently predominantly undergraduate with a MA in Screen and Stage which runs on a six week block structure over 20 months. All programmes provide a strong practice emphasis to support the theoretical learning, and all are very focused on the industry.

During the year the Directorate Team, comprising seven senior managers and led by the Principal and CEO provided the executive management for the College and met weekly to oversee the day-to-day operation of the College, consider emerging issues, develop policies and strategy and review risk. Underpinning this were two senior management groups, the College Academic Group and the College Corporate Support Services Group, made up of senior managers drawn from across the College, who met regularly to discuss operational issues and there was a meeting of both groups and the Directorate every 6 weeks. The Academic group has now become the Senate Academic Affairs Committee.

The College Senate has responsibility for academic development and standards, operating under a constitution established in 2008, and this has continued to improve academic standards, the learning experience of students, the environment for study and the scholarship of its staff.

During the year to 31 July 2011, the College had two trading subsidiary companies, Internexus Centre for Language Studies Limited, a British Council accredited provider of English as a Foreign Language and Regent's College Conference Centre Limited which provides catering and conference services. The Group structure was simplified from 1 November 2011 when the trade and assets of Internexus Centre for Language Studies Limited were transferred to the parent organisation Regent's College.

All taxable profits of both companies are transferred to Regent's College under gift aid.

Review of Activities and Achievements

The dominant planning theme for 2010/11 was

Revenue generation and increased student numbers

Underpinning the dominant planning theme were the following key milestones

- Student numbers
- Summer school numbers
- Improved efficiency
- Retention
- Progression from foundation through to undergraduate
- Time-tabling
- Space Management
- Student satisfaction survey improvement
- Optimise core businesses/conferencing balance
- Improve study abroad margins

Progress against these milestones includes

- New student intake exceeded target by close to 10%. Total student numbers, including progression students, were above budgeted total. However, it should be noted that the average number of modules taken by students was lower than that forecast which meant that revenue fell short of budget.

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- Summer school numbers exceeded target and revenue generation exceeded budget making a real contribution to the annual surplus above forecast
- Efficiency improvement in the faculties can be seen by the overall improvement in gross surplus and in particular in Humanities Arts and Social Sciences faculty which is coming close to the desired 50%
- Time tabling was improved and work was carried out to improve the basic principles
- Space management worked effectively to provide all necessary space for students Further improvements will be achieved by reconfiguration of existing rooms and better timetable management
- There was real improvement in students' satisfaction in most areas
- The reduction in dedicated conferencing space provided increased teaching space, whilst conferencing continued to maintain an excellent contribution to costs

In addition the College has maintained its full partnership status with OUVS and single-institution accreditation from the British Accreditation Council It continues to hold Highly-Trusted Status from the UK Borders Agency, with licensing for Tier 2 and Tier 4 visas, which allows the College to continue to recruit staff and students from the around the world

Public Benefit

The Trustees have considered the Charity Commission's guidance on public benefit, and recognise the obligations of the College as a Charity to contribute to public benefit. The College is committed to a level of public benefit which is not tokenistic As reported last year, following the publication of the guidance from the Charity Commission, including the specific guidance for educational institutions, and the outcome of the first reviews of public benefit by the Charity Commission, the Trustees reviewed its approach to public benefit

In addition to a number of scholarships offered to domestic and international students for undergraduate and postgraduate programmes, 31 full fee bursaries were awarded to UK students who met a high standard of educational attainment, showed the potential to benefit from the programmes and experience that the College offers, and who otherwise would not have been able to study at the College due to financial disadvantage The College has adopted the following KPIs as a measurement of Public Benefit

- the number of FTE equivalent bursaries granted; and
- increasing expenditure on public benefit as a proportion of revenue

It should be noted that the College's commitment to widening access to its services, is not limited to its bursary and scholarship schemes Activities in 2010/11 included

- a wide ranging programme of lectures/seminars/arts events and festivals which were open to the public
- Imaginative use of the curricula for instance Business and Management students' involvement in a BBC sponsored project helping a school to set up a scheme to assist homeless pupils

Financial Activities and Results

The Financial Statements

The Financial Statements presented by the Trustees comprise the consolidated results of the College and its subsidiary companies, as detailed in note 12 As noted, apart from Regent's College Conference Centre Limited and Internexus Centre for Language Studies Limited, all the subsidiary companies are dormant or have ceased to trade The activities of Internexus were transferred to Regent's College from 1 November 2011

Results for the Period

The group's incoming resources from charitable activities for the period, as set out in note 2, were £34,150,000 compared to £29,502,000 for the year ended 31 July 2010, the increase being due to higher student enrolments across the College The group's total incoming resources for the year were £37,898,000 compared to £33,573,000 for the year ended 31 July 2010

The group net movement in funds for the year, which was arrived at after accounting for an unrealised gain on investments of £264,000 (2009/2010 loss of £130,000), came to a surplus of £1,773,000 (2009/2010 surplus £1,138,000) which was transferred to reserves As at 31 July 2011 the reserves amounted to £17,347,000 (31 July 2010 £15,574,000)

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Bursaries, scholarships and discounts of £528,000 (2009/2010 £374,000) were awarded to students based on academic merit and financial need

The College's core business held up very well, despite the prevailing economic climate. Before intercompany charges, Internexus and the conferencing business both generated a profit. However, after recognising management and rental charges from Regent's College, Internexus made a loss in the year ended 31 July 2011. The conferencing business continues to be adversely affected by the downturn, and the College is currently reviewing this business, particularly as student numbers continue to grow. Internexus' activity was brought into the Regent's College from 1 November 2011.

Cash Flow

The Consolidated Cash Flow Statement shows there was a decrease in cash for the year of £119,000 (2009/2010 increase of £1,042,000). The decrease in cash is largely a reflection of the net increase in working capital.

Key Performance Indicators

The financial performance of the group is closely monitored on a monthly basis by the Chief Finance Officer and Chief Executive with both revenues and costs being compared against the Board-approved budget for the year. The most recent monthly management accounts are presented at each Board and Finance and General Purposes Committee meeting together with a commentary on activity, revenue and expense variances.

Reserves

It is the aim of the Trustees to manage the financial resources of the Charity to permit the College to operate as a going concern, bearing in mind the commercial risks of normal activities, and it is their intention to maintain reserves at a level in line with the overall aims set out below.

The Trustees of the Charity recognise that they have a responsibility to minimise the risk to which the activities of the College could be exposed. They actively review the major risks which the Charity faces on a regular basis and believe that the maintenance of reserves, combined with the annual review of risk and the controls over key financial systems will provide sufficient resources in the event of adverse conditions.

The reserves strategy established in 2009 was reviewed during the financial period and minor modifications to the framework for establishing appropriate levels of reserves and the corresponding investment policy were approved by the Trustees in May 2010 on the recommendation of the Finance & General Purposes Committee.

In determining the reserves strategy of the College, the Trustees have regard to the development and annual revision of the strategic plan and for the production of the annual operating statement which sets out the specific targets and actions against objectives. The factors the College takes into consideration include:

- the volatility of income levels within the College,
- the ability to reduce expenditure to match changes in income,
- the cost of change required to bring recurrent expenditure in line with income,
- the impact of catastrophic events or lesser but damaging events causing the College's operations to be impacted adversely,
- the need to continue to regenerate and modernise the asset base of the College, and
- the ability to respond to new projects to allow them to be undertaken at short notice.

The College is involved in and protected by risk mitigation against these issues materialising by:

- recognising the need to match variable income with fixed commitments,
- forecasting processes - avoiding unexpected changes in income and planning mechanisms for taking corrective action,
- insurance, and
- embedding Risk Management within the College.

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The Charity also requires reserves for the following reasons

- Market fluctuations could impact significantly on the number of students attending the College courses. The College's income is substantially derived from its revenues from academic programmes, with only a small contribution from investment income, and accordingly will rely on reserves if there is a temporary reduction in student numbers
- The College has substantial ongoing commitments relating to the welfare and education of the students and needs to maintain a level of reserves sufficient to continue to meet these commitments
- The College requires reserves to fund its ongoing intention of increasing and further developing research and consultancy activities
- The College continues to develop a programme for investment in the refurbishment of the estate and in equipment in order to maintain and develop first class facilities for students. A substantial level of reserves is therefore required both to meet known likely expenditure up to two or three years' forward and unforeseen expenditure. Currently, larger than usual reserves are held to enable significant contributions to be made towards the funding of this programme as priorities are confirmed

The Finance and General Purposes Committee reviews the level of the reserves on a quarterly basis to ensure that the College can meet its likely commitments and the Trustees review the Reserves Policy on an annual basis

To meet their aims and to reduce their reliance on reserves, the Trustees actively seek opportunities for income generation

All the reserves of the Charity are unrestricted funds. At 31 July 2011 they amounted to £17,423,000 (31 July 2010 £15,468,000) but only £9,486,000 (31 July 2010 £8,072,000) of this is freely available because the balance is invested in fixed assets. Total Group reserves were £17,347,000 at 31 July 2011 (31 July 2010 £15,574,000)

This shows that the College remains in a sound financial position

Investment Policy and Results

The College's investment policy permits cash deposits with a range of larger banks and financial institutions, but with a limit on investment in any one institution. This policy and in particular the approved financial institutions and their limits are reviewed annually.

The Trustees' investment powers are governed by the Memorandum and Articles of Association. The Trustees have appointed joint fund managers (Cazenove Capital Management and Baring Asset Management) to invest funds in a range of Common Investment Funds (CIF's) with the aim of maximising capital growth and income with minimum risk. In the year ended 31 July 2011, the majority of the investments are linked to the stock and bond market and the performance of the funds is monitored on a regular basis.

Cazenove have 2 portfolios, one with a defensive and one with an intermediate attitude to risk, essentially tracking the market, while the Baring portfolio is more actively managed. As at 31 July 2011 the value of the investments amounted to £4,643,000 (31 July 2010 £4,231,000) compared to an original investment of £4,467,000 (31 July 2010 £4,319,000).

Risk Management

Risk management helps Regent's College to have confidence in achieving its long-term aims and to effectively manage any threats to acceptable levels. The College is committed to effective risk management and ensures that all significant risks are understood and prioritised as part of the College's strategic and operational management processes.

The Board of Trustees is ultimately responsible for the system of risk management and for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The role of the Board of Trustees is to provide strategic oversight of the College within a framework of prudent and effective controls which enables risk to be assessed and managed. It maintains its risk management and internal control systems through regular reports to the Audit Committee and through the annual report to the Board. Audit

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Committee is also responsible for defining the level of risk appetite for the College

There exists a clearly defined risk management policy, process and mechanisms for identifying, assessing, monitoring and managing risk. The College has identified 12 broad categories of risk. Each risk is recorded on the strategic risk register and given a rating according to the likelihood and impact of the risk occurring. The risks are regularly reviewed and actively managed according to their severity. All risks are reviewed by the Directorate. In addition, faculty-related risks are reviewed at faculty executive committees and risks relating to governance are reviewed by the Chair of Trustees with the Principal and CEO.

Financial Risk Management Objectives and Policies

The group's main financial instruments are cash and quoted investments. In addition, items such as trade debtors and trade creditors arise directly from its operations. The main purpose of these financial instruments is to manage the finance for the group's operations.

The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below.

The main risks arising from the group's financial instruments are market risk, liquidity risk and credit risk. The Trustees review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. The group is not significantly exposed to fair value interest rate risk.

- **Currency risk**

The group is exposed to some translation and transaction foreign exchange risk. However, the Trustees do not consider this risk to be material to the group's operations. The Group manages exchange rate risk through the use of forward contracts to sell US dollars at agreed exchange rates.

- **Price risk**

The group's exposure to price risk consists mainly of movements in the value of the group's investments in quoted shares. The group employs investment managers who work within guidelines set out by the Board. These guidelines include limits on the total investment in any one particular equity instrument, and in any one sector of the market. The aim is to try to manage price risk, as far as possible. The Trustees keep under review these guidelines and regularly review the performance of the investments and the performance of the investment managers against the guidelines set by the Trustees.

The Trustees also consider the pricing structure of the group's tuition fees relative to its competitors as a price risk.

These are regularly reviewed, and key management decisions with respect to pricing are discussed with the Trustees.

Liquidity risk

The reserves policy in the Trustees' Report describes the group's policy with regards to liquidity.

Credit risk

The group's principal financial assets are quoted investments, cash and trade debtors. The credit risk associated with the investments and cash is limited as the counterparties are established financial institutions. The principal credit risk arises therefore from its trade debtors. The nature of the group's client base is such that it is not significantly exposed to large customers. The Trustees therefore concentrate efforts on ensuring that the processes around the giving of credit are sufficiently robust.

Employment of disabled persons

The College has an Equal Opportunities Policy which states that the College is fully committed to promoting

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and implementing equal opportunities for all staff This is underpinned by a Recruitment and Selection Code of Practice

Communication to staff

The Trustees and Directorate use a variety of media and different channels of communication to provide staff with information about the College These include

- the Joint Consultative Committee, which provides a forum for consultation between the Directorate and representatives of all staff group,
- periodic Town Hall meetings open to all staff, where the CEO presents a summary of developments in the College and responds to questions,
- the CEO Blog, which provides information about key developments with the opportunity for staff to comment,
- the publication of a weekly E-Bulletin, one for all staff and one for all students, again providing information about developments and background to the College's activities, and
- the College intranet

Payment of creditors

The College's policy is to pay all suppliers no later than the end of the month following the month of invoicing, other than where there is a dispute regarding the invoice

Outlook

The Trustees will continue to play a significant role in the development and annual approval of a rolling five-year Strategic Plan to provide a roadmap for growth, structured to link closely with, and support, the drive for securing Taught Degree Awarding Powers for which the application has been made, and providing the sound foundation for operation as a degree-awarding institution

A revised strategic direction has been agreed by the Trustee Board which will set new milestones for the year ahead This new direction maintains the core elements of the mission and values of the institution as a charitable organisation dedicated to international education at degree level, a first class student experience, high employability and public benefit.

The College will be faced with a number of economic pressures which will grow during the next five years It is committed to investing in improved resources to enhance the learning experience

Space utilisation will need to be improved to accommodate the preferred option of increased student numbers on a wider range of programmes to generate revenue to cover all additional costs Planning for new courses is taking place at present

The Trustees will continue to set the overall academic direction including the full implementation of a range of programmes to meet the needs of students and employers and to develop enhanced collaborative relationships with other partners

The dominant planning theme for 2011/12 is Consolidation of Taught Degree Awarding Powers

The milestones for 2011/12 are

- Transition from being a validated institution to a validating institution by year end,
- Negotiating a revised lease of longer length for the College's Regent's park campus,
- Acquisition of additional space in the locality for increased student numbers;
- Strengthening the College's research profile for further supporting programme content and acquiring taught degree awarding powers,
- Investigation of acquisition of institutions with complementary subject areas,
- Increased partnership and collaboration with UK and international HE institutions, and
- Full launch of the College fund raising programme.

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Responsibilities of the Trustees of Regent's College

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the charity and the group for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2005 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the Trustees are aware

- there is no relevant audit information of which the charity's auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

This report was approved by the Board of Trustees on 29 February 2012



Trustee - IAN MEHTENS
29 February 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REGENT'S COLLEGE

We have audited the financial statements of Regent's College for the year ended 31 July 2011 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement (set out on pages 3 to 11), the trustees (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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2011 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent's income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company's financial statements are not in agreement with the accounting records or returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REGENT'S COLLEGE

BDO LLP

James Aston, (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Epsom, Surrey, United Kingdom
Date 1 March 2012

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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

Regent's College

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 July 2011

	Notes	Year ended 31 July 2011 £000	Year ended 31 July 2010 £000
Incoming Resources			
Incoming resources from generating funds			
Voluntary income		1	-
Activities for generating funds – trading subsidiaries	1	2,811	3,297
– Other	3	672	632
Investment income	4	264	142
Incoming resources from charitable activities	2	34,150	29,502
Other incoming resources		-	-
Total Incoming Resources		37,898	33,573
Resources Expended			
Costs of generating funds			
Direct costs of generating funds – trading subsidiaries	1	1,810	2,076
– Other	5	2,555	2,359
Investment management costs		(3)	4
Charitable activities	6	31,929	28,316
Governance costs	7	98	94
Total Resources Expended		36,389	32,849
Net Incoming Resources Before Other Recognised Gains and Losses	9	1,509	724
Other Recognised Gains and Losses			
Realised gains– disposal of investments		-	544
Surplus for the year for Companies Act purposes		1,509	1,268
Unrealised gains/(losses) – revaluation of investments		264	(130)
Net Movement in Funds		1,773	1,138
Total funds brought forward at 1 August 2010		15,574	14,436
Total Funds carried forward at 31 July 2011		17,347	15,574
All the above results are derived from continuing activities			
All funds are unrestricted funds			

The accompanying accounting policies and notes form an integral part of these financial statements

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CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 July 2011

	Notes	Year ended 31 July 2011 £000	Year ended 31 July 2010 £000
Incoming Resources			
Incoming resources from generated funds			
Voluntary income		1	-
Activities for generating funds	3	2,099	2,227
Investment income	4	263	142
Incoming resources from charitable activities	2	34,150	29,503
Other incoming resources		-	-
Total Incoming Resources		36,513	31,872
Resources Expended			
Costs of generating funds			
Direct costs of generating funds	5	2,534	2,336
Investment management costs		(3)	4
Charitable activities	6	32,193	28,530
Governance costs	7	98	94
Total Resources Expended		34,822	30,964
Net incoming Resources Before Other Recognised Gains and Losses	9	1,691	908
Other Recognised Gains and Losses			
Realised gains – disposal of investments		-	544
Surplus for the year for Companies Act purposes		1,691	1,452
Unrealised gains/(losses) – revaluation of investments		264	(130)
Net Movement in Funds		1,955	1,322
Total funds brought forward at 1 August 2010		15,468	14,146
Total Funds carried forward at 31 July 2011		17,423	15,468

All the above results are derived from continuing activities

All funds are unrestricted funds

The accompanying accounting policies and notes form an integral part of these financial statements

Regent's College

BALANCE SHEETS

31 July 2011

	Notes	Group 31 July 2011 £000	Group 31 July 2010 £000	Charity 31 July 2011 £000	Charity 31 July 2010 £000
Fixed Assets					
Intangible assets	10	73	106	-	-
Tangible assets	11	7,955	7,415	7,937	7,396
Investments	12	4,643	4,231	4,728	4,316
		<u>12,671</u>	<u>11,752</u>	<u>12,665</u>	<u>11,712</u>
Current Assets					
Debtors	13	5,208	3,572	5,232	3,531
Short term deposits		10,110	10,992	9,627	10,442
Cash at bank and in hand		889	61	280	37
		<u>16,207</u>	<u>14,625</u>	<u>15,139</u>	<u>14,010</u>
Current Liabilities					
Creditors amounts falling due within one year	14	(11,463)	(10,800)	(10,314)	(10,251)
Bank overdraft		(68)	(3)	(67)	(3)
		<u>(11,531)</u>	<u>(10,803)</u>	<u>(10,381)</u>	<u>(10,254)</u>
Net Current Assets		<u>4,676</u>	<u>3,822</u>	<u>4,758</u>	<u>3,756</u>
TOTAL NET ASSETS		<u>17,347</u>	<u>15,574</u>	<u>17,423</u>	<u>15,468</u>
Unrestricted Funds					
General funds	16	<u>17,347</u>	<u>15,574</u>	<u>17,423</u>	<u>15,468</u>

These financial statements were approved and authorised for issue by the Board on 29 February 2012 and signed on its behalf by

Ian Mehetere
Trustee IAN MEHETENS

Mary Kerr
Trustee MARY KERR

Company number 1791760

The accompanying accounting policies and notes form an integral part of these financial statements

Regent's College
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 July 2011

	Notes	Year ended 31 July 2011 £000	Year ended 31 July 2010 £000
Net Cash Inflow from Operating Activities	19	2,079	3,894
Return on Investments and Servicing of Finance	20	264	142
Capital Expenditure and Financial Investment	21	(2,462)	(2,994)
Cash (Outflow)/Inflow before use of Liquid Resources and Financing		(119)	1,042
Management of Liquid Resources	22	882	(2,816)
Increase/(Decrease) in Cash for the Period		763	(1,774)

Reconciliation of Net Cash Flow to Movement in Net Funds

	Notes	Year ended 31 July 2011 £000	Year ended 31 July 2010 £000
Increase/(Decrease) in Cash in the Period		763	(1,774)
Cash used to Increase Liquid Resources		(882)	2,816
Change in Net Funds		(119)	1,042
Opening Net Funds at 1 August		11,050	10,008
Closing Net Funds at 31 July	23	10,931	11,050

The accompanying accounting policies and notes form an integral part of these financial statements

Regent's College

PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention, except that listed fixed asset investments are carried at market value, and in accordance with applicable United Kingdom accounting standards. They have also been prepared in accordance with the Companies Act 2006 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) that was issued in March 2005.

The group financial statements consolidate the financial statements of Regent's College and all its subsidiaries made up to 31 July 2011.

The Trustees have reviewed the accounting policies and consider they remain appropriate. The principal accounting policies of the charitable company and the group have remained unchanged from the previous year and are set out below.

Intangible Fixed Assets and Amortisation

Intangible fixed assets represent

- goodwill that arose on acquisition of College Management Services Limited and its subsidiary companies,
- the goodwill transferred from European Business School Educational Trust Limited which originally arose on its acquisition of the business of European Business School (UK) Limited, and
- goodwill that arose on acquisition of Internexus Centre for Language Studies Limited.

Amortisation has been provided to write off the assets over an anticipated useful life of up to 3 years for goodwill arising on acquisition of College Management Services Limited and its subsidiary companies, 15 years for goodwill transferred from European Business School Educational Trust Limited and 5 years for goodwill arising on acquisition of Internexus Centre for Language Studies Limited.

Tangible Fixed Assets and Depreciation

Tangible fixed assets costing more than £5,000 (£500 to 31 August 2007) are capitalised and are stated at historic cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows -

Short leasehold improvements	-	10% per annum
Plant and machinery	-	20% - 33% per annum
Computer equipment and systems	-	10% - 33% per annum
Fixtures and Fittings	-	20% - 33% per annum
Motor vehicles	-	25% per annum

Investments

Investments, other than investments in subsidiary undertakings, are stated at market value. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the financial period.

Pensions

The company contributes a defined amount to specified Personal Policies taken out by eligible employees. Contributions are charged as incurred.

Foreign Currencies

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

Regent's College

PRINCIPAL ACCOUNTING POLICIES

Taxation Status

Due to the nature of the College's outputs, value added tax on its inputs is not fully recoverable. Irrecoverable value added tax incurred is capitalised when it relates to items of a capital nature and charged to the Statement of Financial Activities when it is of a revenue nature.

Operating Leases

Rental costs in respect of operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Incoming Resources

Income from commercial trading activities, and from charitable activities, is recognised at the point at which it is earned. Tuition fees, and other similar income, are recognised evenly over the period of the relevant course.

Investment income is recognised in the year in which it arises.

Gifts are recognised at the point at which the group is unconditionally entitled to their receipt.

Resources Expended

Resources expended are accounted for on the accruals basis. Certain expenditure is apportioned in the Statement of Financial Activities to cost categories based on the estimated amount attributable to that activity in the year and in accordance with the requirements of SORP 2005. These estimates are based on staff time, space occupied or student numbers as appropriate.

Governance costs are primarily associated with constitutional and statutory requirements.

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2011

1. Net Income from Trading Activities of Subsidiaries

The charity has two wholly and directly owned trading subsidiary undertakings

- Regent's College Conference Centre Limited, which is involved in the provision of conference facilities, and
- Internexus Centre for Language Studies Limited, which provides all kinds of educational facilities and services

In addition, as set out in note 12, there are 5 subsidiary companies which have ceased to trade and 6 dormant subsidiary companies, none of which received income or incurred expenditure during the year

Accounts for each company are filed with the Registrar of Companies

A summary of the trading results for the trading subsidiaries is shown below

	Regent's College Conference Centre Limited £000	Internexus Centre for Language Studies Limited £000	Year ended 31 July 2011 Total £000	Year ended 31 July 2010 Total £000
Turnover	1,865	1,228	3,093	3,543
Cost of sales	(816)	(550)	(1,366)	(1,305)
Gross profit	1,049	678	1,727	2,238
Administration costs	(1,042)	(836)	(1,878)	(2,388)
Operating profit/(loss)	7	(158)	(151)	(150)
Interest receivable	-	-	-	-
Net profit/(loss)	7	(158)	(151)	(150)
Turnover excluding intercompany recharges	1,583	1,228	2,811	3,297
Administration expenses and costs of sales excluding intercompany recharges	(1,299)	(511)	(1,810)	(2,076)

Regent's College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2011

2. *Charitable Activities*

	Group Year ended 31 July 2011 £000	Group Year ended 31 July 2010 £000	Charity Year ended 31 July 2011 £000	Charity Year ended 31 July 2010 £000
Car park	111	113	111	114
Tuition and registration fees	30,693	26,482	30,693	26,482
Trips and excursions	158	123	158	123
Meals	1,605	1,276	1,605	1,276
Residences and laundry	2,207	1,771	2,207	1,771
Library fees	7	5	7	5
Gymnasium	28	10	28	10
IT Centre and ID Cards	9	5	9	5
Exchange gain/(loss)	(140)	91	(140)	91
Bursaries, scholarships and discounts	(528)	(374)	(528)	(374)
	34,150	29,502	34,150	29,503

The incoming resources of the charity during the period were all derived in the same geographical area

229 scholarships were granted to individuals in the period ended 31 July 2011 (2010 165)

3 *Activities for Generating Funds - Other*

	Group Year ended 31 July 2011 £000	Group Year ended 31 July 2010 £000	Charity Year ended 31 July 2011 £000	Charity Year ended 31 July 2010 £000
Rental income	67	75	501	803
Central services	-	1	992	859
Catering income	605	556	606	565
	672	632	2,099	2,227

Regent's College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2011

4. Investment Income

	Group Year ended 31 July 2011 £000	Group Year ended 31 July 2010 £000	Charity Year ended 31 July 2011 £000	Charity Year ended 31 July 2010 £000
Bank interest receivable	116	79	115	79
Other interest receivable	35	1	35	1
Dividend income	113	62	113	62
	<u>264</u>	<u>142</u>	<u>263</u>	<u>142</u>

5. Direct Cost of Generating Funds - Other

	Group Year ended 31 July 2011 £000	Group Year ended 31 July 2010 £000	Charity Year ended 31 July 2011 £000	Charity Year ended 31 July 2010 £000
Premises costs	875	754	875	754
Central services	548	504	548	504
Cost of catering	684	649	684	649
Management costs	415	350	427	360
Bad debts	-	-	-	-
Goodwill amortisation	33	102	-	69
Loss on disposal of fixed assets	-	-	-	-
	<u>2,555</u>	<u>2,359</u>	<u>2,534</u>	<u>2,336</u>

Regent's College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2011

6. Cost of Charitable Activities

GROUP			Year ended 31 July 2011 £000	Year ended 31 July 2010 £000
	Direct costs £000	Support costs £000		
Commission	665	-	665	603
Car park	24	-	24	17
Tuition costs – teaching	12,345	-	12,345	10,674
Trips and excursions	207	-	207	170
Cost of meals	1,612	-	1,612	1,331
Careers and placements	258	-	258	239
Alumni and development	180	-	180	176
Telephone	74	9	83	71
Bad debt provisions	212	-	212	270
VAT, including non-recoverable	-	-	-	-
Premises costs	7,031	201	7,232	6,223
Central services	6,661	-	6,661	6,370
Legal and professional	-	208	208	307
Management costs	-	2,242	2,242	1,865
Loss on disposal of fixed assets	-	-	-	-
	29,269	2,660	31,929	28,316

CHARITY			Year ended 31 July 2011 Total £000	Year ended 31 July 2010 Total £000
	Direct costs £000	Support costs £000		
Commission	665	-	665	603
Car park	24	-	24	17
Tuition costs – teaching	12,459	-	12,459	10,800
Trips and excursions	207	-	207	170
Cost of meals	1,612	-	1,612	1,331
Careers and placements	264	-	264	242
Alumni and Development	197	-	197	178
Telephone	74	9	83	71
Bad debt provisions	212	-	212	270
VAT, including non-recoverable	-	-	-	-
Premises costs	7,031	201	7,232	6,223
Central services	6,725	-	6,725	6,408
Legal and professional	-	208	208	307
Management costs	-	2,305	2,305	1,910
Loss on disposal of fixed assets	-	-	-	-
	29,470	2,723	32,193	28,530

Regent's College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2011

7. Governance Costs

	Group Year ended 31 July 2011 £000	Group Year ended 31 July 2010 £000	Charity Year ended 31 July 2011 £000	Charity Year ended 31 July 2010 £000
Legal and professional	14	42	14	42
Audit and accountancy (excluding VAT)	84	52	84	52
	98	94	98	94

8. Employees

	Group Year ended 31 July 2011 No.	Group Year ended 31 July 2010 No.	Charity Year ended 31 July 2011 No	Charity Year ended 31 July 2010 No
The average number of persons (excluding Trustees) employed during the period was				
Management and administration	189	178	179	166
Academic	217	206	206	197
Total average full time equivalent	406	384	385	363

	Group Year ended 31 July 2011 £000	Group Year ended 31 July 2010 £000	Charity Year ended 31 July 2011 £000	Charity Year ended 31 July 2010 £000
Staff costs for the above persons				
Wages and salaries	14,375	12,703	13,814	12,071
Social security costs	1,498	1,302	1,444	1,246
Other pension costs	1,407	1,517	1,347	1,449
	17,280	15,522	16,605	14,766

No remuneration was paid to Trustees in the period with the exception of £1,080 paid to S Newstead in relation to consultancy and guest speaker fees

Ten Trustees were reimbursed for travel and subsistence expenses for attending meetings during the period. The aggregate amount reimbursed was £15,958 (2010 £22,292)

Regent's College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2011

8. Employees (continued)

	Group Year ended 31 July 2011 No.	Group Year ended 31 July 2010 No.	Charity Year ended 31 July 2011 No	Charity Year ended 31 July 2010 No
The number of employees with emoluments of £60,000 or more during the period for Regent's College and its subsidiaries was				
£60,000 – £69,999	1	2	1	2
£70,000 – £79,999	4	2	4	2
£80,000 – £89,999	1	-	1	-
£90,000 – £99,999	4	6	4	6
£100,000 – £109,999	2	1	2	1
£170,000 – £179,999	-	-	-	-
£180,000 – £189,999	-	1	-	1
£200,000 – £209,999	1	-	1	-
	13	12	13	12

Pension costs relating to 13 (2010: 16) employees earning more than £60,000 during the period were £93,138 (2010: £99,813)

9. Net Incoming Resources

	Group Year ended 31 July 2011 £000	Group Year ended 31 July 2010 £000	Charity Year ended 31 July 2011 £000	Charity Year ended 31 July 2010 £000
Net incoming resources is stated after charging/(crediting)				
Operating lease rental – land and buildings	1,941	1,545	1,941	1,545
Depreciation – owned assets	1,774	1,648	1,760	1,582
Amortisation	33	102	-	69
Exchange (gains)	(140)	(91)	(140)	(91)
Auditors' remuneration (excluding VAT)				
- Audit services – charity	84	44	84	44
- subsidiary companies	4	4	4	4
- Other services	3	18	3	18
Gain on disposal of fixed investment assets	-	(544)	-	(544)

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2011

10. Intangible Fixed Assets

GROUP	Goodwill £000
Cost	
1 August 2010	1,688
Additions	-
31 July 2011	1,688
Amortisation	
1 August 2010	1,582
Charged in the year	33
31 July 2011	1,615
Net book value	
31 July 2011	73
31 July 2010	106
CHARITY	Goodwill £000
Cost	
1 August 2010 and 31 July 2011	434
Amortisation	
1 August 2010 and 31 July 2011	434
Net book value	
31 July 2011	-
31 July 2010	-

Regent's College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2011

11. Tangible Fixed Assets

GROUP	Short leasehold improvements £000	Computer equipment £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost						
1 August 2010	11,179	2,158	1,228	3,247	61	17,873
Additions	1,073	648	33	560	-	2,314
Disposals	-	(268)	-	(185)	-	(453)
31 July 2011	12,252	2,538	1,261	3,622	61	19,734
Depreciation						
1 August 2010	5,795	1,311	906	2,416	30	10,458
Charged in the year	898	253	177	431	15	1,774
Disposals	-	(268)	-	(185)	-	(453)
31 July 2011	6,693	1,296	1,083	2,662	45	11,779
Net book value 31 July 2011	5,559	1,242	178	960	16	7,955
31 July 2010	5,384	847	322	831	32	7,415
CHARITY	Short leasehold improvements £000	Computer equipment £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost						
1 August 2010	11,179	2,090	1,228	2,748	61	17,306
Additions	1,073	648	33	547	-	2,301
Disposals	-	(268)	-	(185)	-	(453)
31 July 2011	12,252	2,470	1,261	3,110	61	19,154
Depreciation						
1 August 2010	5,795	1,243	906	1,936	30	9,910
Charged in the year	898	253	177	417	15	1,760
Disposals	-	(268)	-	(185)	-	(453)
31 July 2011	6,693	1,228	1,083	2,168	45	11,217
Net book value 31 July 2011	5,559	1,242	178	942	16	7,937
31 July 2010	5,384	847	322	812	32	7,397

Regent's College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2011

12. Fixed Asset Investments

	Group 31 July 2011 £000	Group 31 July 2010 £000	Charity 31 July 2011 £000	Charity 31 July 2010 £000
Quoted investments and cash deposits	4,643	4,231	4,643	4,231
Subsidiary undertakings	-	-	85	85
	4,643	4,231	4,728	4,316

GROUP AND CHARITY

	£000
Quoted investments and cash deposits	
Market value at 1 August 2010	4,231
Less Disposals at original cost (proceeds £148,799, profit £285)	(149)
Add Acquisitions at cost	297
Gain on revaluation at 31 July 2011	264
Market value at 31 July 2011	4,643

	Quoted investments £000	Cash deposits £000	Total £000
Investment assets in the UK	4,263	123	4,386
Investment assets outside the UK	257	-	257
31 July 2011	4,520	123	4,643
Market value 31 July 2010	4,184	47	4,231
Historic cost of the above investments was 31 July 2011	4,344	123	4,467
31 July 2010	4,272	47	4,319

Cash deposits represent funds realised from sale of quoted investments pending reinvestment

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2011

12. Investments (continued)

Investments in individual entities held at 31 July 2011 which are over 5% of portfolio by value are

	£000
Barings Targeted Return Fund	2,319
Cazenove Investment Fund Management Income Trust For Charities	748
Cazenove Investment Fund Management Growth Trust For Charities	566
Cazenove Investment Fund Management Absolute Return Trust For Charity	428

All investments are held indirectly through common investment funds

CHARITY	31 July 2011 £	31 July 2010 £
Subsidiary undertakings	84,741	84,741

The charity holds more than 20% of the equity of the following companies

Name of company	Class of holding	Proportion held	Nature of business
Regent's College Conference Centre Limited	2 ordinary £1 shares	100%	Provision of conference facilities
Internexus Centre for Language Studies Limited	100 ordinary £1 shares	100%	Provision of all kinds of educational facilities and services
Regent's College Pension Trustee Limited	100 ordinary £1 shares	100%	Dormant
Regent's College Business School Limited	2 ordinary £1 shares	100%	Dormant
Regent's College Graduate Studies Centre Limited	2 ordinary £1 shares	100%	Dormant
Regent's College School of Psychotherapy and Counselling Limited	2 ordinary £1 shares	100%	Ceased trading
College Management Services Limited	100 ordinary £1 shares	100%	Ceased trading
European Business School (London) Limited	10 ordinary £1 shares	100%	Dormant

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2011

12. Investments (continued)

College Bookshop Limited	2 ordinary £1 shares	100%	Ceased trading
Study Abroad International Limited	2 ordinary £1 shares	100%	Dormant
Regents Business School London Limited	Limited by guarantee	100%	Ceased trading
News World Graduate School Limited	Limited by guarantee	100%	Dormant
Regents International Study Centre London Limited	Limited by guarantee	100%	Ceased trading

13. Debtors

	Group 31 July 2011 £000	Group 31 July 2010 £000	Charity 31 July 2011 £000	Charity 31 July 2010 £000
Trade debtors	2,823	2,154	2,393	1,839
Amounts due from group undertakings	-	-	472	483
Other debtors	267	135	267	130
Prepayments and accrued income	2,118	1,283	2,100	1,079
	5,208	3,572	5,232	3,531

14. Creditors: Amounts falling due within one year

	Group 31 July 2011 £000	Group 31 July 2010 £000	Charity 31 July 2011 £000	Charity 31 July 2010 £000
Trade creditors	1,586	1,129	1,349	918
Amounts due to group undertakings	-	-	80	139
Other taxation and social security costs	579	492	542	463
Other creditors	890	1,036	804	983
Accruals and deferred income	8,408	8,143	7,539	7,748
	11,463	10,800	10,314	10,251

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2011

15. Guarantee

The charitable company is limited by guarantee. In the event of a winding up, members are obliged to contribute such sums as are necessary to ensure that the company is able to settle its liabilities subject to a maximum contribution of £1 per member.

16. Unrestricted Funds

	General funds 31 July 2011 £000	General funds 31 July 2010 £000
GROUP		
Balance at 1 August	15,574	14,436
Net movement in funds for the period	1,773	1,138
Balance at 31 July	17,347	15,574
CHARITY		
Balance at 1 August	15,468	14,146
Net movement in funds for the period	1,955	1,322
Balance at 31 July	17,423	15,468

17. Commitments and Contingent Liabilities

- i) At 31 July 2011 the group had annual commitments under non-cancellable operating leases as follows

	31 July 2011 £000	31 July 2010 £000
Land and buildings next 12 months	2,282	1,941
Land and buildings 12 - 24 months	3,150	2,282
Land and buildings 25 - 36 months	3,150	3,150
Land and buildings after 36 months	3,150	3,150

Rockford College acts as guarantor for all liabilities arising from the lease for the land and buildings and has in return acquired a legal charge over certain of the assets of the College.

- ii) Regent's College is included in a group registration for VAT purposes and is therefore jointly and severally liable for all the VAT liabilities (including, where applicable, penalties and accrued interest) of other group companies. At the balance sheet date, the VAT liabilities recorded amounted to £115,000 (2010 £88,000), all provided in this company.
- iii) Regent's College continues to support a number of its subsidiary undertakings, in order that they may continue to meet their liabilities as they fall due.

18. Pensions

The group contributes a defined amount to specified Personal Policies taken out by eligible employees. Contributions are charged as incurred. There were outstanding contributions in relation to the group and the charitable company amounting to £258,666 as at the balance sheet date (31 July 2010 £248,420). Pension costs during the period were £1,443,694 (31 July 2010 £1,555,847).

Regent's College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2011

19. Reconciliation of Net Cash Flow from Operating Activities

	Year ended 31 July 2011 £000	Year ended 31 July 2010 £000
Net Incoming Resources before Tax	1,509	724
Investment Income	(151)	(80)
Dividends Received	(113)	(62)
Depreciation	1,774	1,648
Amortisation of Intangibles	33	102
(Increase)/Decrease in Debtors	(1,636)	5,418
Increase/(Decrease) in Creditors	663	(3,856)
Net Cash Inflow/(Outflow) from Operating Activities	2,079	3,894

20. Returns on Investments and Servicing of Finance

	Year ended 31 July 2011 £000	Year ended 31 July 2010 £000
Income from Short Term Investments/Interest Received	151	80
Dividends Received	113	62
Net Cash Inflow from Returns on Investments and Servicing of Finance	264	142

21. Capital Expenditure and Financial Investment

	Year ended 31 July 2011 £000	Year ended 31 July 2010 £000
Payments to Acquire Tangible Fixed Assets	(2,314)	(2,931)
Fund Management Assets Acquired	(297)	(4,756)
Receipts from Sales of Fund Management Assets	149	4,693
Net Cash Outflow from Capital Expenditure and Financial Investment	(2,462)	(2,994)

Regent's College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2011

22. Management of Liquid Resources

	Year ended 31 July 2011 £000	Year ended 31 July 2010 £000
Decrease/(increase) in short term deposits	882	(2,816)
Net Cash Inflow/(Outflow) from Management of Liquid Resources	882	(2,816)

23. Analysis of changes in Net Funds

	1 August 2010 Group £000	Cashflows £000	31 July 2011 Group £000
Funds			
Cash in Hand, at Bank	61	828	889
Bank overdraft	(3)	(65)	(68)
	<u>58</u>	<u>763</u>	<u>821</u>
Short term deposits	10,992	(882)	10,110
	<u>11,050</u>	<u>(119)</u>	<u>10,931</u>

24. Post Balance Sheet Event

From 1 November 2011, the trade and assets of Internexus Centre for Language Studies Limited were transferred to the parent organisation Regent's College