



REGENT'S COLLEGE

Regent's College

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 July 2012



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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
Carole Baume³
Mary Kerr^{2,4}
Dr Clare McConnell¹
Ian Mehrtens – Chairman
Shona Milne²
Elisa Nardi^{3,4}
Professor Stephen Newstead^{3,4}
Raj Pradhan – Deputy Chairman
Carol Rue²
Professor Andrew Sanders (resigned 02 July 2012)
Bob Schuler²
Anne Seaman^{2,4}
Murray Thomas³
John Wood^{1,2}

¹ Member of the Audit Committee at 31 July 2012

² Member of the Finance and General Purposes Committee at 31 July 2012

³ Member of the Human Resources Committee at 31 July 2012

⁴ Member of the Remuneration Committee at 31 July 2012

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

Registered Office and Principal Address

Inner Circle
Regent's Park
London
NW1 4NS

External Auditor

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

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 2012. 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 14 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.

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
- Internationalism

Regent's College

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- 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 status to the benefit of past, present and future students and staff. There is also a strong objective of growth to increase the breadth of portfolio, financial sustainability and international reach.

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, licensed from 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.

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- **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. These awards have been validated by the University of Wales.

- **Webster Graduate School London**

This School provides courses of study leading to Master of Arts and Master of Business Administration Degrees, Licensed from 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.

Programmes in all schools have a strong focus on global perspective and employability.

During the year the Directorate Team, comprising six 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.

The College Senate has responsibility for academic development and standards, operating under a constitution established in 2008 and revised in 2010 and 2011. 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 2012, the College had two trading subsidiary companies, Regent's College Conference Centre Limited which provides catering and conference services and Internexus Centre for Language Studies Limited a company which provided educational services. From 1 November the trade and assets of Internexus Centre for Language Studies Limited were transferred to the parent organisation simplifying the group structure. Any profits from subsidiary companies are transferred by Gift Aid to the parent organisation.

Review of Activities and Achievements

The dominant planning theme for 2011/12 was

Consolidation of Taught Degree Awarding Powers

Underpinning the dominant planning theme were the following key milestones

- 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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Progress against these milestones includes

- The College was awarded Taught Degree Awarding Powers by the Privy Council in July 2012 and these came into force on 1 September 2012 and is in the process of applying for university status
- Negotiations are at an advanced stage to secure additional space in the locality of the Regent's Park Campus. The College is optimistic that a lease will be signed imminently enabling additional space to be occupied from January 2013
- The College has established a Senate Research Committee which meets three times a year to evaluate research proposals. Projects are considered against a number of criteria and successful projects are funded from a dedicated budget. The College believes that Research informed academics improve the standard of teaching, the College's core activity
- The College has identified a possible acquisition target with complementary subject areas as well as an estate which will enable the College to progress with the 2020 strategy. Phase one legal and financial due diligence has been completed. Further due diligence will be undertaken in 2012 combined with the submission of a detailed teach-out plan to the target's accreditation body. A letter of intent has been signed by both parties to facilitate an effective due diligence process and modelling of the combined business' financial position over the short and medium term. This agreement is not legally binding but demonstrates a level of commitment from the College to proceed and should enable the risks and rewards of acquisition to be fully evaluated by the Management and Trustees. Subject to a satisfactory outcome of the phase two due diligence and Trustee approval of the proposal, the likely timescale for acquisition is spring/summer 2013
- The College has been actively developing new partnerships with domestic and international HE institutions in the year. The College has agreed 11 new international partnerships over the last 12 months including Monmouth University and Parsons (The New School of Design) in the USA as well as a number of institutions based in Europe such as Copenhagen Business School, EBC Berlin and EBS Kaliningrad in Russia. The College remains hopeful that a partnership agreement will be signed with the Moscow State Institute of International Management (MGIMO University) for students to start at the College in September 2013
- The College has also established a case for support with key messages and projects, with estimated costs identified and is currently working with More Partnership, a widely respected leading fundraising consultancy in the HE sector, to thoroughly test this case for support with a section of our prospect pool (approximately 35 individuals) which we have identified as significantly close to the College. The College is currently also exploring the introduction of annual giving to the wider alumni community and submitted a successful bid to the European Commission for €20,000 in support of a European Union focused series of lectures and seminars to be mounted between 1 November 2012 and April 2013

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.

The College recruited an Outreach Manager in August 2012, who is responsible for helping Regent's advance its agenda for contributing to the public benefit. This illustrates the understanding that Regent's has of its charitable status, and its commitment to using the College's expertise to benefit the public.

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Bursaries

Last year, the College provided over 30 full fee bursaries for UK students (2011/12 full fee bursaries). This included a bursary for a student from Central Foundation Boys (a state school in Tower Hamlets) and a bursary for a student from Hillcroft College (a residential college for women aged 19 plus).

Case Study

The bursary for Hillcroft College was allocated following an innovative partnership project called Creative Gateway. Using its expertise in the creative sector, the project saw the HASS faculty collaborate with Hillcroft to deliver a cost-free six week course that integrated learning at Hillcroft and specialist Higher Education tuition at Regent's. The course provided a learning route to the performing arts for ten Hillcroft students, an opportunity that Hillcroft could not have offered on their own.

The full fee bursary was not the only success of the partnership project. Creative Gateway also received very positive feedback from the students and staff involved with the project from both Hillcroft and Regent's, and the College has been shortlisted for the Times Higher Education Award 2012 for Widening Participation Initiative of the Year.

Outreach

Regent's is also committed to widening access to its services, and over 2011/12 the college provided a wide ranging programme of lectures, seminars, art events and festivals which were open to the public. This has included Regent's hosting the London Screenwriters' Festival and Artspace.

In 2012/13 the College will continue to engage with staff (both academic and non-academic at all levels) and the student body in the implementation and delivery of its outreach activities. A very successful example of where the College uses both its education expertise and student body together is in the School of Psychotherapy and Counselling Psychology. As part of their clinical internship students studying for a postgraduate qualification in psychotherapy and counselling psychology will spend at least 100 hours at various approved placements (such as NHS out-patient psychiatric/psychotherapy units, GP practices, voluntary counselling services, colleges, and prisons). The hours spent at clinical placements, although a training requirement, are voluntary and have a direct benefit to those communities.

Case Study 1

In May 2012, students on the BA in International Events Management programme helped to organise a fundraising event for the spinal injuries charity, Aspire. Putting into practice the learning from their degree, the students worked on Aspire's annual Sports Quiz Fundraising Dinner event at Lord's Cricket Ground. The event helped Aspire to raise over £130,000 on the night.

Case Study 2

In the Autumn of 2011, a partnership between Regent's College and the Tutu Foundation UK was created. The partnership has achieved the following outcomes:

- A mediation course designed by the College for the Tutu Foundation took place in April 2012, the first in a series of courses planned for 2012/13.
- The College participated as part of a Tutu Foundation delegation in an International Conference on Conflict in South Africa in July 2012.

The partnership has been a real success and a second mediation course for the Foundation was arranged for October 2012 and a third course in spring 2013. The Second mediation course coincided with a visit to the College by Archbishop Desmond Tutu. The College hosted a reception in his honour.

With the recruitment of the Outreach Manager, the College will put in place a more formal public benefit strategy that will be in line with the objectives set out in its strategic priorities until 2020, with one of the key priorities to develop London state school partnerships.

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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 following a group reorganisation.

Results for the Period

The group's incoming resources from charitable activities for the period, as set out in note 2, were £39,017,000 compared with £34,150,000 for the year ended 31 July 2011, the increase being due to higher student enrolments across the College. The group's total incoming resources for the year were £41,468,000 compared with £37,898,000 for the year ended 31 July 2011.

The group net movement in funds for the year, which was arrived at after accounting for an unrealised loss on investments of £87,000 (2010/2011 gain of £264,000), came to a surplus of £788,000 (2010/2011 surplus £1,773,000) which was transferred to reserves. As at 31 July 2012 the reserves amounted to £18,135,000 (31 July 2011 £17,347,000).

Bursaries, scholarships and discounts of £848,000 (2010/2011 £528,000) were awarded to students based on academic merit and financial need.

The College's core business held up well, despite the prevailing economic climate although there has been a significant increase in the provision for bad debts to £2,083,381 (2011 £1,447,915). Before intercompany charges, Internexus and the conferencing business both generated a profit. However, after recognising management and rental charges from Regent's College, Regent's College Conference Centre Limited made a loss in the year ended 31 July 2012 of £178,410 (2010/11 Profit £7,174). The conferencing business continues to be adversely affected by the downturn and there has been a significant movement from external sales to servicing the needs of the College at lower margins. 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. At year end, due to Internexus now being part of Regent's College the remaining goodwill on acquisition of £40,000 was written off.

Cash Flow

The Consolidated Cash Flow Statement shows there was a decrease in cash for the year of £358,000 (2010/2011 increase of £763,000). The College generated a net cash inflow from operating activities of £1,523,000 (2010/11 £2,079,000). The overall decrease in cash is largely a reflection of changes in working capital (trade debtors and creditors) and significant investment in tangible fixed assets.

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.

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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

The Charity also requires reserves for the following reasons

- Market fluctuations and changes to the regulations imposed by the UK Borders Agency 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

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 2012 they amounted to £18,202,000 (31 July 2011 £17,423,000) but only £7,906,000 (31 July 2011 £9,486,000) of this is freely available because the balance is invested in fixed assets. Total Group reserves were £18,135,000 at 31 July 2012 (31 July 2011 £17,347,000)

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

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The Trustees' investment powers are governed by the 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 2012, 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.

In 2011/12, Cazenove had 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 2012 the value of the investments amounted to £4,715,000 (31 July 2011: £4,643,000). From 1 November 2012 the College's holding in Cazenove's Absolute Return Trust for Charities (ARTC) will be transferred to the Jubilee Absolute Return Fund (JARF). The benefits of switching include a reduction in the percentage of illiquid holdings through increased scale of the JARF relative to ARTC, a more diversified investor base and lower management fees (1% versus 1.5%). Since inception, the JARF has outperformed the ARTC over the last three years and with a lower level of volatility. The College continues to monitor the performance of the fund managers and both fund managers have presented on more than one occasion to trustees over the last 12 months. The current investment policy states that the College should split investments between two or more investment managers as a means of managing risk.

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. The Audit 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.

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- **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 orders 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 common investment funds. The group employs investment managers who aim to manage price risk, as far as possible through holding a diversified portfolio of equities, bonds, property, cash and hedge fund investments. The Trustees regularly review the performance of the investments and the performance of the investment managers.

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

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Payment of creditors

The College's policy is to pay all suppliers no later than the end of the month following the month in which the invoice was received, 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 and providing the sound foundation for operation as a degree-awarding institution with university title

Growth is a central theme in the College's strategic plan alongside 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. As previously stated, the College is exploring opportunities to grow through both acquisition and organically

The College operates within an uncertain trading environment and 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. The College is hopeful that university title will be approved before the end of the 2012 calendar year. University title will provide a unique opportunity for the College to rebrand and reposition itself in the higher education market. The College is confident that university title will also be a catalyst for growth.

Space utilisation has improved to accommodate staff and students but Regent's Park campus is now at capacity. The preferred option of increased student numbers on a wider range of programmes will only be possible with additional estate. Planning for new courses is taking place at present. This revenue will be required to cover all additional costs.

The College recognises the need to retain and recruit talent in order to achieve the 2020 strategy. The College has therefore invested significant resource in reviewing pay and reward for all staff, academic and professional services. Following extensive consultation with the Joint Consultative Committee the pay and reward strategy will be rolled out across the College in the next twelve months.

As the College grows it is imperative that opportunities for economies of scales are realised and expenditure is well controlled with demonstrable value for money. The College has invested in its procurement function and will continue to do so to achieve this objective.

- 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.

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TRUSTEES' REPORT

Responsibilities of the Trustees of Regent's College

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Trustees are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 adequate accounting records that show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

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 12 December 2012.



Trustee IAN MEHTENS
12 December 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 2012 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).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement (set out on page 13), 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 2012 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



*James Aston, (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, West Sussex, United Kingdom*

Date 14 December 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 2012

	Notes	Year ended 31 July 2012 £000	Year ended 31 July 2011 £000
Incoming Resources			
Incoming resources from generating funds			
Voluntary income		-	1
Activities for generating funds – trading subsidiaries	1	1,432	2,811
– Other	3	825	672
Investment income	4	186	264
Incoming resources from charitable activities	2	39,017	34,150
Other incoming resources		8	-
Total Incoming Resources		41,468	37,898
Resources Expended			
Costs of generating funds			
Direct costs of generating funds – trading subsidiaries	1	1,292	1,810
– Other	5	1,812	2,555
Investment management costs		-	(3)
Charitable activities	6	37,406	31,929
Governance costs	7	97	98
Total Resources Expended		40,607	36,389
Net Incoming Resources Before Other Recognised Gains and Losses	9	861	1,509
Other Recognised Gains and Losses			
Realised gains– disposal of investments		14	-
Surplus for the year for Companies Act purposes		875	1,509
Unrealised gains/(losses) – revaluation of investments		(87)	264
Net Movement in Funds		788	1,773
Total funds brought forward at 1 August 2011		17,347	15,574
Total Funds carried forward at 31 July 2012		18,135	17,347

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

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

for the year ended 31 July 2012

	Notes	Year ended 31 July 2012 £000	Year ended 31 July 2011 £000
Incoming Resources			
Incoming resources from generated funds			
Voluntary income		-	1
Activities for generating funds	3	1,531	2,099
Investment income	4	186	263
Incoming resources from charitable activities	2	39,017	34,150
Other incoming resources		8	-
Total Incoming Resources		40,742	36,513
Resources Expended			
Costs of generating funds			
Direct costs of generating funds	5	2,014	2,534
Investment management costs		-	(3)
Charitable activities	6	37,779	32,193
Governance costs	7	97	98
Total Resources Expended		39,890	34,822
Net incoming Resources Before Other Recognised Gains and Losses	9	852	1,691
Other Recognised Gains and Losses			
Realised gains – disposal of investments		14	-
Surplus for the year for Companies Act purposes		866	1,691
Unrealised gains/(losses) – revaluation of investments		(87)	264
Net Movement in Funds		779	1,955
Total funds brought forward at 1 August 2011		17,423	15,468
Total Funds carried forward at 31 July 2012		18,202	17,423

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

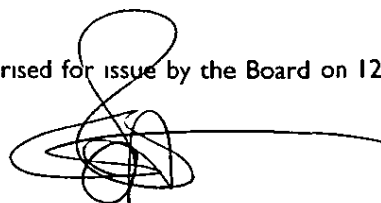
31 July 2012

	Notes	Group 31 July 2012 £000	Group 31 July 2011 £000	Charity 31 July 2012 £000	Charity 31 July 2011 £000
Fixed Assets					
Intangible assets	10	-	73	-	-
Tangible assets	11	10,306	7,955	10,296	7,937
Investments	12	4,715	4,643	4,800	4,728
		<u>15,021</u>	<u>12,671</u>	<u>15,096</u>	<u>12,665</u>
Current Assets					
Debtors	13	5,928	5,208	6,111	5,232
Short term deposits		8,212	10,110	7,625	9,627
Cash at bank and in hand		463	889	463	280
		<u>14,603</u>	<u>16,207</u>	<u>14,199</u>	<u>15,139</u>
Current Liabilities					
Creditors amounts falling due within one year	14	(10,868)	(11,463)	(10,472)	(10,314)
Bank overdraft		-	(68)	-	(67)
		<u>(10,868)</u>	<u>(11,531)</u>	<u>(10,472)</u>	<u>(10,381)</u>
Net Current Assets		<u>3,735</u>	<u>4,676</u>	<u>3,727</u>	<u>4,758</u>
Long Term Liabilities					
Creditors amounts falling due after one year	15	(621)	-	(621)	-
TOTAL NET ASSETS		<u>18,135</u>	<u>17,347</u>	<u>18,202</u>	<u>17,423</u>
Unrestricted Funds					
General funds	17	<u>18,135</u>	<u>17,347</u>	<u>18,202</u>	<u>17,423</u>

These financial statements were approved and authorised for issue by the Board on 12 December 2012 and signed on its behalf by



Trustee IAN MEHTENS



Trustee CAROL RUE

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 2012

	Notes	Year ended 31 July 2012 £000	Year ended 31 July 2011 £000
Net Cash Inflow from Operating Activities	20	1,523	2,079
Return on Investments and Servicing of Finance	21	126	264
Capital Expenditure and Financial Investment	22	(4,680)	(2,462)
Cash Outflow before use of Liquid Resources and Financing		(3,031)	(119)
Financing Activities	23	775	-
Management of Liquid Resources	24	1,898	882
(Decrease)/ Increase in Cash for the Period		(358)	763

Reconciliation of Net Cash Flow to Movement in Net Funds

	Notes	Year ended 31 July 2012 £000	Year ended 31 July 2011 £000
(Decrease)/Increase in Cash in the Period		(358)	763
Cash withdrawn from Liquid Resources		(1,898)	(882)
Change in Net Funds		(2,256)	(119)
Opening Net Funds at 1 August		10,931	11,050
Closing Net Funds at 31 July	25	8,675	10,931

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 2012.

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 represents

- 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 (London) Limited, and
- goodwill that arose on acquisition of Internexus Centre for Language Studies Limited ('Internexus')

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. Goodwill relating to Internexus was written off in 2011/12 when the trade and assets were transferred to the parent company.

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.

Regent's College

PRINCIPAL ACCOUNTING POLICIES

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.

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.

Finance Leases

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduced the finance lease liability.

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.

Liquid Resources

For the purposes of the cash flow statement, liquid resources are defined as short term deposits.

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

I. 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. The trade and assets of Internexus Centre for Language Studies Limited were transferred to the parent organisation Regent's College on 1 November 2011.

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 2012 Total £000	Year ended 31 July 2011 Total £000
Turnover	1,457	379	1,836	3,093
Cost of sales	(744)	(136)	(880)	(1,366)
Gross profit	713	243	956	1,727
Administration costs	(891)	(227)	(1,118)	(1,878)
Operating (loss)/profit	(178)	16	(162)	(151)
Interest receivable	-	-	-	-
Net (loss)/profit	(178)	16	(162)	(151)
Turnover excluding intercompany recharges	1,053	379	1,432	2,811
Administration expenses and costs of sales excluding intercompany recharges	(1,178)	(114)	(1,292)	(1,810)

Regent's College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2012

2. Charitable Activities

	Group Year ended 31 July 2012 £000	Group Year ended 31 July 2011 £000	Charity Year ended 31 July 2012 £000	Charity Year ended 31 July 2011 £000
Car park	116	111	116	111
Tuition and registration fees	36,029	30,693	36,029	30,693
Trips and excursions	188	158	188	158
Meals	1,273	1,605	1,273	1,605
Residences and laundry	2,228	2,207	2,228	2,207
Library fees	6	7	6	7
Gymnasium	23	28	23	28
IT Centre and ID Cards	8	9	8	9
Exchange loss	(6)	(140)	(6)	(140)
Bursaries, scholarships and discounts	(848)	(528)	(848)	(528)
	39,017	34,150	39,017	34,150

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

267 scholarships were granted to individuals in the period ended 31 July 2012 (2011: 229)

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 2012 £000	Charity Year ended 31 July 2011 £000
Rental income	25	67	260	501
Central services	85	-	554	992
Catering income	715	605	717	606
	825	672	1,531	2,099

Regent's College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2012

4. Investment Income

	Group Year ended 31 July 2012 £000	Group Year ended 31 July 2011 £000	Charity Year ended 31 July 2012 £000	Charity Year ended 31 July 2011 £000
Bank interest receivable	46	116	46	115
Other interest receivable	37	35	37	35
Dividend income	103	113	103	113
	186	264	186	263

5. Direct Cost of Generating Funds - Other

	Group Year ended 31 July 2012 £000	Group Year ended 31 July 2011 £000	Charity Year ended 31 July 2012 £000	Charity Year ended 31 July 2011 £000
Premises costs	543	875	543	875
Central services	184	548	209	548
Cost of catering	921	684	921	684
Management costs	91	415	95	427
Bad debt provisions	-	-	246	-
Goodwill amortisation	73	33	-	-
	1,812	2,555	2,014	2,534

Regent's College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2012

6. Cost of Charitable Activities

GROUP	Direct costs £000	Support costs £000	Year ended 31 July 2012 £000	Year ended 31 July 2011 £000
Commission	726	-	726	665
Car park	19	-	19	24
Tuition costs – teaching	12,496	-	12,496	12,345
Trips and excursions	194	-	194	207
Cost of meals	1,528	-	1,528	1,612
Careers and placements	399	-	399	258
Alumni and development	247	-	247	180
Research and iCES	78	-	78	-
Telephone	115	13	128	83
Bad debt provisions	537	-	537	212
Premises costs	9,179	791	9,970	7,232
Central services	8,237	-	8,237	6,661
Legal and professional	-	569	569	208
Management costs	-	2,207	2,207	2,242
Finance lease charges	-	71	71	-
	33,755	3,651	37,406	31,929

CHARITY	Direct costs £000	Support costs £000	Year ended 31 July 2012 Total £000	Year ended 31 July 2011 Total £000
Commission	726	-	726	665
Car park	19	-	19	24
Tuition costs – teaching	12,600	-	12,600	12,459
Trips and excursions	194	-	194	207
Cost of meals	1,528	-	1,528	1,612
Careers and placements	403	-	403	264
Alumni and Development	269	-	269	197
Research and iCES	86	-	86	-
Telephone	115	13	128	83
Bad debt provisions	537	-	537	212
Premises costs	9,179	791	9,970	7,232
Central services	8,364	-	8,364	6,725
Legal and professional	-	569	569	208
Management costs	-	2,315	2,315	2,305
Finance lease charges	-	71	71	-
	34,020	3,759	37,779	32,193

Regent's College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2012

7. Governance Costs

	Group Year ended 31 July 2012 £000	Group Year ended 31 July 2011 £000	Charity Year ended 31 July 2012 £000	Charity Year ended 31 July 2011 £000
Legal and professional	3	14	3	14
Audit and accountancy (excluding VAT)	94	84	94	84
	97	98	97	98

8. Employees

	Group Year ended 31 July 2012 No.	Group Year ended 31 July 2011 No.	Charity Year ended 31 July 2012 No	Charity Year ended 31 July 2011 No
The average number of persons (excluding Trustees) employed during the period was				
Management and administration	240	189	234	179
Academic	187	217	185	206
Total average full time equivalent	427	406	419	385

	Group Year ended 31 July 2012 £000	Group Year ended 31 July 2011 £000	Charity Year ended 31 July 2012 £000	Charity Year ended 31 July 2011 £000
Staff costs for the above persons				
Wages and salaries	15,628	14,375	15,369	13,814
Social security costs	1,650	1,498	1,624	1,444
Other pension costs	1,242	1,407	1,213	1,347
	18,520	17,280	18,206	16,605

No remuneration was paid to Trustees in the period with the exception of £4,756 paid to C Rue in relation to career coaching fees of which £72 was outstanding at the balance sheet date (31 July 2011 £nil)

Ten Trustees were reimbursed for travel and subsistence expenses for attending meetings during the period. The aggregate amount reimbursed was £6,802 (2011 £15,958)

Regent's College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2012

8. Employees (continued)

	Group Year ended 31 July 2012 No.	Group Year ended 31 July 2011 No.	Charity Year ended 31 July 2012 No	Charity Year ended 31 July 2011 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	8	1	8	1
£70,000 – £79,999	3	4	3	4
£80,000 – £89,999	1	1	1	1
£90,000 – £99,999	2	4	2	4
£100,000 – £109,999	3	2	3	2
£190,000 – £199,999	1	1	1	1
	18	13	18	13

Pension costs relating to 18 (2011: 13) employees earning more than £60,000 during the period were £112,393 (2011: £93,138)

9. Net Incoming Resources

	Group Year ended 31 July 2012 £000	Group Year ended 31 July 2011 £000	Charity Year ended 31 July 2012 £000	Charity Year ended 31 July 2011 £000
Net incoming resources is stated after charging/(crediting)				
Operating lease rental – land and buildings	2,822	1,941	2,822	1,941
Depreciation – owned assets	2,192	1,774	2,184	1,760
Amortisation	73	33	-	-
Exchange losses	(6)	(140)	(6)	(140)
Auditors' remuneration (excluding VAT)				
- Audit services – charity	52	84	52	84
- subsidiary companies	3	4	3	4
- Other services (taxation)	5	3	5	3
Gain on disposal of fixed investment assets	14	-	14	-

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

10. Intangible Fixed Assets

GROUP	Goodwill £000
Cost	
1 August 2011	1,688
Additions	-
31 July 2012	1,688
Amortisation	
1 August 2011	1,615
Charged in the year	73
31 July 2012	1,688
Net book value	
31 July 2012	-
31 July 2011	73
CHARITY	Goodwill £000
Cost	
1 August 2011 and 31 July 2012	434
Amortisation	
1 August 2011 and 31 July 2012	434
Net book value	
31 July 2012	-
31 July 2011	-

Regent's College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2012

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 2011	12,252	2,538	1,261	3,622	61	19,734
Additions	2,313	757	74	1,287	116	4,547
Disposals	-	-	-	-	(32)	(32)
31 July 2012	14,565	3,295	1,335	4,909	145	24,249
Depreciation						
1 August 2011	6,693	1,296	1,083	2,662	45	11,779
Charged in the year	997	397	132	625	41	2,192
Disposals	-	-	-	-	(28)	(28)
31 July 2012	7,690	1,693	1,215	3,287	58	13,943
Net book value 31 July 2012	6,875	1,602	120	1,622	87	10,306
31 July 2011	5,559	1,242	178	960	16	7,955
CHARITY	Short leasehold improvements £000	Computer equipment £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost						
1 August 2011	12,252	2,470	1,261	3,110	61	19,154
Additions	2,313	757	74	1,287	116	4,547
Disposals	-	-	-	-	(32)	(32)
31 July 2012	14,565	3,227	1,335	4,397	145	23,669
Depreciation						
1 August 2011	6,693	1,228	1,083	2,168	45	11,217
Charged in the year	997	397	132	617	41	2,184
Disposals	-	-	-	-	(28)	(28)
31 July 2012	7,690	1,625	1,215	2,785	58	13,373
Net book value 31 July 2012	6,875	1,602	120	1,612	87	10,296
31 July 2011	5,559	1,242	178	942	16	7,937

Assets held under finance leases for group and charity amounted to a net book value of £770,674 at the balance sheet date (31 July 2011 £nil)

Regent's College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2012

12. Fixed Asset Investments

	Group 31 July 2012 £000	Group 31 July 2011 £000	Charity 31 July 2012 £000	Charity 31 July 2011 £000
Quoted investments and cash deposits	4,710	4,643	4,710	4,643
Investment in shares	5	-	5	-
Subsidiary undertakings	-	-	85	85
	4,715	4,643	4,800	4,728

GROUP AND CHARITY

	£000
Quoted investments and cash deposits	
Market value at 1 August 2011	4,643
Less Disposals at original cost (proceeds £260,558, profit £14,335)	(247)
Add Acquisitions at cost	401
Gain on revaluation at 31 July 2012	(87)
Market value at 31 July 2012	4,710

	Quoted investments £000	Cash deposits £000	Total £000
Investment assets in the UK	4,317	139	4,456
Investment assets outside the UK	254	-	254
31 July 2012	4,571	139	4,710
Market value 31 July 2011	4,520	123	4,643
Historic cost of the above investments was 31 July 2012	4,622	139	4,761
31 July 2011	4,344	123	4,467

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 2012

12. Investments (continued)

Investments in individual entities held at 31 July 2012 which are over 5% of portfolio by value are

	£000
Barings Targeted Return Fund	2,319
Cazenove Investment Fund Management Income Trust For Charities	801
Cazenove Investment Fund Management Growth Trust For Charities	447
Cazenove Investment Fund Management Absolute Return Trust For Charity	284

All investments are held indirectly through common investment funds

Investment in shares

	31 July 2012 £	31 July 2011 £
GEIE EBSI	4,676	-

During the year, Munich Business School transferred one share of Groupement Europeen D'Interet Economique Groupe EBSI (GEIE) to the charity for a consideration of €5,630

CHARITY	31 July 2012 £	31 July 2011 £
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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

12. Investments (continued)

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
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 2012 £000	Group 31 July 2011 £000	Charity 31 July 2012 £000	Charity 31 July 2011 £000
Trade debtors	3,615	2,823	3,428	2,393
Amounts due from group undertakings	-	-	383	472
Other debtors	197	267	197	267
Prepayments and accrued income	2,116	2,118	2,103	2,100
	5,928	5,208	6,111	5,232

Regent's College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2012

14. Creditors: Amounts falling due within one year

	Group 31 July 2012 £000	Group 31 July 2011 £000	Charity 31 July 2012 £000	Charity 31 July 2011 £000
Trade creditors	1,686	1,586	1,378	1,349
Amounts due to group undertakings	-	-	8	80
Other taxation and social security costs	560	579	535	542
Other creditors	439	890	431	804
Obligations under finance lease contracts	165	-	165	-
Accruals and deferred income	8,018	8,408	7,955	7,539
	10,868	11,463	10,472	10,314

15. Creditors: Amounts falling due after one year

	Group 31 July 2012 £000	Group 31 July 2011 £000	Charity 31 July 2012 £000	Charity 31 July 2011 £000
Obligations under finance lease contracts				
Due 12–24 months	180	-	180	-
Due 24–60 months	441	-	441	-
	621	-	621	-

16. 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.

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

17. Unrestricted Funds

	General funds 31 July 2012 £000	General funds 31 July 2011 £000
GROUP		
Balance at 1 August	17,347	15,574
Net movement in funds for the period	788	1,773
Balance at 31 July	18,135	17,347
CHARITY		
Balance at 1 August	17,423	15,468
Net movement in funds for the period	779	1,955
Balance at 31 July	18,202	17,423

18. Commitments and Contingent Liabilities

- i) At 31 July 2012 the group had annual commitments under non-cancellable operating leases as follows

	31 July 2012 £000	31 July 2011 £000
Land and buildings next 12 months	3,150	2,282
Land and buildings 12 - 24 months	3,150	3,150
Land and buildings 25 - 36 months	3,150	3,150
Land and buildings after 36 months	3,150	3,150

- 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 £99,265 (2011: £115,000)
- 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
- iv) In the year ended 31 July 2012 the College wrote back £685,000 (31 July 2011: £291,000) of deferred income to income. These balances mainly relate to tuition fee overpayments and credit notes from prior periods (pre 31 July 2010). Although unlikely, a legal opinion was sought and the possibility exists that students could claim a refund for overpayments less than 6 years old

19. 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 £106,040 as at the balance sheet date (31 July 2011: £258,666). Pension costs during the period were £1,242,284 (31 July 2011: £1,407,000).

Regent's College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2012

20. Reconciliation of Net Cash Flow from Operating Activities

	Year ended 31 July 2012 £000	Year ended 31 July 2011 £000
Net Incoming Resources before Tax	861	1,509
Investment Income	(83)	(151)
Dividends Received	(103)	(113)
Interest charged on Finance Leases	71	-
Depreciation	2,192	1,774
Amortisation of Intangibles	73	33
Profit on Disposal of Tangible Fixed Assets	(8)	-
(Increase)/Decrease in Debtors	(720)	(1,636)
Increase/(Decrease) in Creditors	(595)	663
(Increase)/Decrease in Finance Lease Creditors due in one year	(165)	-
Net Cash Inflow from Operating Activities	1,523	2,079

21. Returns on Investments and Servicing of Finance

	Year ended 31 July 2012 £000	Year ended 31 July 2011 £000
Income from Short Term Investments/Interest Received	83	151
Dividends Received	103	113
Interest paid on Finance Leases	(60)	-
Net Cash Inflow from Returns on Investments and Servicing of Finance	126	264

22. Capital Expenditure and Financial Investment

	Year ended 31 July 2012 £000	Year ended 31 July 2011 £000
Payments to Acquire Tangible Fixed Assets	(4,547)	(2,314)
Proceeds from Disposal of Tangible Fixed Assets	12	-
Fund Management Assets Acquired	(401)	(297)
Receipts from Sales of Fund Management Assets	261	149
Shares Acquired	(5)	-
Net Cash Outflow from Capital Expenditure and Financial Investment	(4,680)	(2,462)

Regent's College
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2012

23. Financing Activities

	Year ended 31 July 2012 £000	Year ended 31 July 2011 £000
Tangible Fixed Assets Acquired on Finance Leases	957	-
Capital cost of Finance Lease repaid	(182)	-
Net Cash inflow from Financing Activities	775	-

24. Management of Liquid Resources

	Year ended 31 July 2012 £000	Year ended 31 July 2011 £000
Decrease in short term deposits	1,898	882
Net Cash Inflow from Management of Liquid Resources	1,898	882

25. Analysis of changes in Net Funds

	1 August 2011 Group £000	Cashflows £000	31 July 2012 Group £000
Funds			
Cash in Hand, at Bank	889	(426)	463
Bank overdraft	(68)	68	-
	<u>821</u>	<u>(358)</u>	<u>463</u>
Short term deposits	10,110	(1,898)	8,212
	<u>10,931</u>	<u>(2,256)</u>	<u>8,675</u>

26. Transfer to Parent Company

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