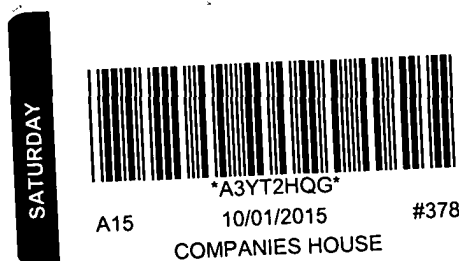


Regent's University London

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 July 2014



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Regent's University London

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 Barrett^{3, 6}

Carole Baume^{1, 5, 6} – Interim Chair from 31 December 2014

*Mary Kerr – resigned 24 October 2014

Dr Clare McConnell¹

Ian Mehrkens – Pro Chancellor & Chair resigned 10 December 2014

Shona Milne² – joint Vice Chair from 31 July 2014

Elisa Nardi^{2, 4, 6}

Professor Stephen Newstead³

Raj Pradhan² resigned 11 December 2013

Carol Rue – Vice Chair resigned 31 July 2014

Anne Cleveland^{2, 4, 5} – joint Vice Chair from 31 July 2014

Murray Thomas^{3, 6}

John Wood² resigned 11 December 2013

Marguerite Dennis^{1, 5}

Pam Loch³

Andy Masheter^{2, 1}

Professor Aldwyn Cooper Staff Trustee appointed 11 December 2013

Carol Richmond¹ appointed 11 December 2013

Gilmar Machado Queiros Jnr Student Trustee 26 February 2014 to 1 June 2014

Martin Earwicker² appointed 26 February 2014, resigned 10 December 2014

Dominic Laffy Academic Staff Trustee appointed 23 July 2014

Matthias Feist Professional Staff Trustee appointed 23 July 2014

Tom Weekenborg appointed Student Trustee 26 February 2014

¹ Member of the Audit and Risk Committee at 31 July 2014

² Member of the Finance and Investments Committee at 31 July 2014

³ Member of the Human Resources Committee at 31 July 2014

⁴ Member of the Remuneration Committee at 31 July 2014

⁵ Member of the Estates and Infrastructure Committee at 31 July 2014

⁶ Member of the Nominations Committee at 31 July 2014

*on a sabbatical from 1 August 2013

The Pro Chancellor & Chair of the Board of Trustees and the Vice-Chair are ex-officio members of the committees. The Board Chair will not normally attend Audit Committee unless invited.

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.

Vice Chancellor & Chief Executive Officer

Professor Aldwyn Cooper

Secretary

Sinéad McQuillan ACIS

Registered Office and Principal Address

Inner Circle
Regent's Park
London
NW1 4NS

Regent's University London

LEGAL AND ADMINISTRATIVE INFORMATION

External Auditor

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

Internal Auditors

Kingston City Group
Head Office
Kingston University
Yorkon House
Kingston Hill Campus
Kingston Hill
Kingston Upon Thames
KT2 7LB

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 University London

STRATEGIC REPORT

University Strategy

Regent's University London is developing a clear, respected brand and has a strong central core of programmes that meet market demand. The University has now been granted its own taught degree awarding powers (TDAP) and gained full University status. By 2020 Regent's University London intend to have gained American degree awarding powers and offer both English and American degree programmes, many of which will be dual validated.

The University's strategy has the following core elements:

- **Student experience** – the Regent's University London student experience will be excellent and seamless through the student lifecycle from application to graduation and alumni affairs. Contact hours on full time undergraduate programmes will be an average of at least 20 hours per week and group sizes will not exceed 15.
- **Growth** – Regent's University London will focus on organic growth, while retaining a small feel, personal family culture. The reasons for growth are to create a more robust business model that is less susceptible to market fluctuations and will generate reserves to meet policy and investment requirements. The student base will continue to be strongly international; 20% of students will be UK domiciled 10% from the US, 35% from continental European Union member states and 35% from the rest of the world. Over 140 countries will continue to be represented on campus with no dominant nationality.
- **Teaching and research** - Regent's University London will continue to be teaching focussed but research engaged. Retaining its commitment to academic freedom, the University will develop a positive research environment while placing particular value in the strong interaction between learners and academic staff. By 2020 Regent's will be on the path towards receiving research degree-awarding powers (RDAP), which are anticipated by 2025
- **Development of the estate** - The home campus will remain on the Inner Circle, Regent's Park and the Marylebone Village where its central team are based and where most students will study for the majority of their degrees. The University will need to acquire or rent additional residential space close to the campus where students will be accommodated to the standard that is now expected by international students. Reconfiguration of the current estate will be required. This must be done to a high standard to provide a five star environment to meet the brand image and deliver the experience expected by our students.
- **Brand development** - gaining university title provides Regent's University London with an opportunity to build a stronger brand that can be better understood and recognised within the UK and internationally. The University's programme of public relations will be accelerated so that the institution is even better known and respected by employers and governments.
- **Outreach and public benefit** - Regent's University London is proud of its charitable status and will continue to develop its outreach and public benefit activity. The University will establish a substantial programme of broad educational activities to support the community in London and more widely.

Through successfully delivering the four elements of the core strategy, the student numbers are anticipated to reach 6,000 Full Time Equivalent (FTE) students by 2020. By 2020 the University will be the leading private, non-state funded, 'not for profit' university in Europe and with a global reputation and presence. It will continue to have a single overall governing body of trustees that will include international representatives.

This report summarises the University's activities in the year ended 31 July 2014. This report is prepared in accordance with the recommendations of the Statement of Recommended Practice – Accounting for Further and Higher Education (2007) and complies with applicable law.

Performance Review

The dominant themes for the year ended 31 July 2014 were the consolidation of university status and the integration of Regent's Marylebone Limited.

Regent's University London

STRATEGIC REPORT

Underpinning the dominant planning themes are the following key milestones:

- Gain university title and transition from being a validated institution to a validating institution;
- Negotiating a revised lease of longer length for both the University's Regent's Park campus and Marylebone properties;
- Acquisition of additional space in the locality for increased student numbers;
- Strengthening the University's research profile for further supporting programme content and acquiring taught degree awarding powers;
- Acquisition and integration of institution with complementary subject areas;
- Increased partnership and collaboration with UK and international higher education institutions; and
- Full launch of the University fund raising programme.

Progress against these milestones includes:

- University status was achieved in March 2013. A rebranding exercise was completed culminating in a re-launch event in June 2013. Communicating and establishing the new brand in the market remains a priority for the University.
- The University is seeking to both extend the lease on properties in Regent's Park and Marylebone Campus and transfer leases held within Regent's Marylebone Limited to the University. Negotiations are currently taking place with both the Crown and De Walden Estates. The extension and transfer of leases remains a priority going into 2014/15.
- Additional space was acquired through both the lease of a building in Paddington Street, Marylebone from January 2013 and the acquisition of American InterContinental University London (AIUL) in April 2013 which was renamed Regent's Marylebone Limited. The acquisition has increased the University's footprint considerably and will enable growth. A short term sub-lease of two floors of a building in Aybrook Street, Marylebone has been signed whilst work was undertaken to configure the space acquired. An estates master-plan has now been developed and approval by Trustees is anticipated in 2014. All new properties will be brought into use in 2014/15 following significant capital investment in 2013/14 and 2014/15.
- The acquisition diversified the University's programme portfolio through the Regent's School of Fashion and Design as well as complementary subject areas such as Business and Management. Integration of the two entities has now been completed and the Programme Board has been disbanded following the completion of the teach-out agreement. The University has captured the learning from this significant project through an internal audit of the pre-acquisition due diligence exercise as well as the research-acquisition integration programme.
- The University's Senate Research Committee continues to meet 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 University believes that research engaged academics improve the standard of teaching, the University's core activity. The University's Annual Research Report highlights the research activity and outputs from the University's three research centres. The University is committed to achieving research degree awarding powers (RDAP) and has allocated resource in the budget to support PhD students.
- Over the last 12 months, the International Partnerships Office (IPO) has continued to build on our existing partnership network signing both agreements with new partners and strengthening existing partnerships with further collaboration. The University has also developed an internationalisation strategy which seeks to define internationalisation within Regent's University in terms of student recruitment, staff and student mobility as well as all aspects of learning, teaching and research. The University is now eligible to partake in the US Federal Student Loans programme (Title IV) as a foreign school and recruit students from China both of which are anticipated to aid student recruitment and delivery of aspects of the internationalisation strategy. Chinese eligibility was confirmed by the University's appearance on the list of higher education institutions maintained by the Chinese Education Department on 13 October 2014.

Regent's University London

STRATEGIC REPORT

- The University concluded a campaign feasibility study with More Partnership, the widely respected leading fundraising consultancy in the higher education sector. Following More Partnership's report, the University will produce a draft fundraising strategy and outline plan for fundraising activity. The alumni team continues to develop the University's information database to facilitate the effective launch of the fundraising strategy.

Financial Activities and Results

Financial Highlights

RESULTS, CASHFLOWS AND RESERVES	Year ended 31 July 2014	Year ended 31 July 2013
	£'000s	£'000s
Total Income	53,170	48,196
Total Expenditure	55,659	46,466
(Deficit)/Surplus For The Year Before Taxation	(2,489)	1,730
Net movement in Funds	(2,413)	2,054
Cash Flow From Operating Activities (After Taxation)	(1,122)	5,089
Fixed Assets	18,874	18,848
Net Current Assets	2,241	5,780
Total Assets Less Current Liabilities	21,115	24,628
Total Reserves	17,776	20,189

The Financial Statements

The Financial Statements presented by the Trustees comprise the consolidated results of the University and its subsidiary companies, as detailed in note 10. As noted, except for Regent's Conferences & Events Limited and Regent's Marylebone Limited, all the subsidiary companies are dormant or have ceased to trade.

Results for the Period

The group's total income for the year was £53,170,000 compared with £48,196,000 for the year ended 31 July 2013. The increase in revenue is due to fee inflation and the additional revenue streams from the acquisition of Regent's Marylebone Limited contributing to the Group's results. Student full time equivalent numbers, excluding Regent's Marylebone Limited and English Language Teaching decreased from 3,518 in 2012/13 to 3,418 in 2013/14, a 2.8% reduction. Tuition related income from Regent's Marylebone in the year ended 31 July 2014 was £3,660,058, the equivalent in the seven month post acquisition period in 2012/13 was £1,826,461.

The group net movement in funds for the year, which was arrived at after accounting for an unrealised gain on investments of £95,000 (2012/2013: £290,000), came to a deficit of £2,413,000 (2012/2013: surplus £2,054,000) which was transferred from reserves. As at 31 July 2014 the total reserves amounted to £17,776,000 (31 July 2013: £20,189,000).

Bursaries, scholarships and discounts of £1,459,000 (2012/2013: £850,000) were awarded to students based on academic merit and financial need.

Regent's University London

STRATEGIC REPORT

The University's financial performance in 2013/14 was adverse to the plan. Group income was significantly under budget. The University's cost base did not react effectively to lower than anticipated activity levels resulting in a larger than budgeted deficit. Integration costs were significantly higher in 2013/14 than the prior year. The outlook for student recruitment remains challenging and Directorate are taking action to reverse these trends.

The impact of one-off exceptional items linked to the acquisition of Regent's Marylebone Limited are noted below:

GROUP UNDERLYING SURPLUS

	Year ended 31 July 2014 £'000s	Year ended 31 July 2013 £'000s
Reported (loss)/gain since last period	(2,413)	2,054
Rent grant – Paddington Street	(49)	(26)
Rent grant – Marylebone High Street & Garbutt Place	(132)	(44)
Pre-acquisition costs	-	133
Integration costs	294	139
Negative goodwill	141	47
Underlying (loss)/gain from last period	(2,159)	2,303

Debtor management continues to be an area of focus in 2013/14. Investment in the team and systems in this area has resulted in a better than budgeted movement in the provision for bad debts to £1,339,000 (2013: £2,294,000).

Regent's Conferences & Events Limited made a profit in the year ended 31 July 2014 of £4,539 (2012/13: £9,276). The conferencing business was stable in 2013/14 and the income and cost base were comparable with the prior year.

Regent's Marylebone Limited made a loss of £1,757,956 in 2013/14 which compares with a post-acquisition loss of £710,969 in 2012/13. Integration of Regent's Marylebone Limited was completed in 2013/14 in line with the project plan and teach-out agreement. As noted above, the trade of Regent's Marylebone Limited was transferred to the University on 1 August 2014 and it is likely that the fixed assets will transfer to the University in the year ended 31 July 2015 following lease re-assignment.

Cash Flow

The consolidated cash flow statement shows there was a decrease in cash for the year of £1,293,000 (2012/2013: increase of £3,818,000). The University's net cash outflow from operating activities was £4,983,000 (2012/13: £2,055,000 inflow). The overall decrease in cash is largely a reflection of changes in working capital (trade debtors and creditors) and management of liquid resources.

Key Performance Indicators

The financial performance of the group is closely monitored on a monthly basis by the Chief Finance Officer and Vice Chancellor & 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 Investment Committee meeting together with a commentary on activity, revenue and expense variances. Trustees are in the process of finalising a suite of key performance indicators. Both financial and non-financial measures will be introduced to track performance against University strategic priorities.

Reserves and Strategic Risks

It is the aim of the Trustees to manage the financial resources of the University to permit it 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.

Regent's University London

STRATEGIC REPORT

The Trustees of the University recognise that they have a responsibility to minimise the risk to which the activities of the University could be exposed. They actively review the major risks which the University 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.

In determining the reserves strategy of the University, 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 University takes into consideration include:

- the volatility of income levels within the University;
- 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 University's operations to be impacted adversely;
- the need to continue to regenerate and modernise the asset base of the University; and
- the ability to respond to new projects to allow them to be undertaken at short notice.

The University 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 University.

The University also requires reserves to effectively manage strategic risks and deliver strategic objectives noted below:

- Market fluctuations and changes to the regulations imposed by the UK Visas and Immigration could impact significantly on the number of students attending the University courses. The University'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 in the event of a temporary reduction in student numbers. The University under-recruited against student number targets in 2013/14. This trend has continued into the autumn 2014 recruitment cycle. The University used reserves to fund its activities in 2013/14 whilst the causes of the under-recruitment are addressed and Regent's Marylebone's staff, business processes and systems were integrated and aligned to the University's. The University reviews new programmes as well as the existing portfolio through the Senate Portfolio Development Committee. The risk of failing to recruit is mitigated by ensuring all programmes are demand led and commercially viable before approval by the committee and adequate resources are allocated to marketing activity.
- The University 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 and adequate physical resources and infrastructure to deliver planned growth. A substantial level of reserves is therefore required both to meet known likely expenditure up to five years' forward and unforeseen expenditure. Significant capital expenditure was incurred in 2013/14, funded from reserves to bring the Marylebone campus up to the University's standard. This help to ensure excellence in the student experience and in anticipated to facilitate stronger recruitment to new programme areas. The Estates and Infrastructure Committee has oversight of all significant development in this area. The University has developed a corporate project management framework used for all material projects to ensure that risks are well managed.
- The University continues to review its business operating model to ensure the appropriateness of the structure to deliver the strategic plan.
- The University has substantial on-going 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 University requires reserves to fund its on-going intention of increasing and further developing research and consultancy activities.

Regent's University London

STRATEGIC REPORT

The Finance and Investment Committee reviews the level of the reserves to ensure that the University 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 University are unrestricted funds. At 31 July 2014 they amounted to £18,988,000 (31 July 2013: £20,750,000) but only £6,804,000 (31 July 2013: £8,365,000) of this is freely available because the balance is invested in fixed assets. Total group reserves were £17,776,000 at 31 July 2014 (31 July 2013: £20,189,000). This shows that the University remains in a sound financial position.

Investment Policy and Results

The University'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 Articles of Association. The Trustees have appointed joint fund managers (Cazenove Capital Management and Barings 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 2014, 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 2013/14, Cazenove had two portfolios, one with a defensive and one with an intermediate attitude to risk, essentially tracking the market, while the Barings portfolio is more actively managed. As at 31 July 2014 the value of the investments amounted to £5,422,000 (31 July 2013: £5,189,000). The University continues to monitor the performance of the fund managers through the Finance and Investment Committee. The current investment policy states that the University should split investments between two or more investment managers as a means of managing risk.

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 University'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.

Recent student recruitment cycles have highlighted the uncertainty of the trading environment and the fiercely competitive market in which the University operates. The growth in student applications as a result of achievement of university title has not yet been realised. Budgetary pressures are expected in the medium term as a result of a shortfall against budgeted student numbers and investment in core business processes and systems to deliver economies of scale necessary for the future sustainability of the University. A number of systems improvements have been realised in 2013/14 notably the integration of the student records (SITS) and finance system (SUN). This will improve tuition fee management and credit control.

Additional budgetary pressures are expected as a result of the termination of the agreement with Webster University as detailed in the post balance sheet event note which forms part of these financial statements. A teach-out agreement will be developed and agreed with Webster. This will define the arrangements over a transition period. The Universities ambition to gain American degree awarding powers by 2020 remains unaltered.

The University strategy continues to focus on growth as it repositions itself in the higher education market following the expansion of the academic offer with the addition of the Regent's School of Fashion and Design and consolidation of languages provision within the Regent's Institute of Languages and Culture. Future growth is expected to be organic and the University is not actively pursuing acquisition, merger or international campus development. Portfolio development will centre on areas of existing strength.

Regent's University London

STRATEGIC REPORT

The University's estate has grown through the addition of Regent's Marylebone Limited. The University has invested a significant amount to both reconfigure and redevelop the Marylebone Campus. A significant challenge in the medium term is to ensure that the estate is utilised effectively to enhance the student experience and efficiently to support a sustainable business model. The Chief Operating Officer has led the development of an estates strategy aligned to the 2020 Vision which is expected to be endorsed by the Board in December 2014.

The estates strategy will need to be reviewed periodically and flexed for both student numbers and the results of space planning and utilisation statistics. To a large extent, the estates strategy will steer the University's capital requirements over the medium term. The estates budget for 2014/15 continues to include a significant allocation to Regent's Marylebone Limited's buildings and Paddington Street as these projects were delayed. The Marylebone campus is expected to be fully developed and operational by the end of the 2014/15 financial year.

The University recognises the need to retain and recruit talent in order to achieve the 2020 strategy. The University has therefore invested significant resource in reviewing pay and reward for all staff, academic and professional services. The new pay and reward framework was developed in 2012/13 and was fully operationalised in 2013/14 with 99.6% participation rate. The new framework links reward to performance achieved in the year. Further refinement of the process will be undertaken in 2014/15 overseen by the Performance Development Project Steering Group.

As the University grows it is imperative that opportunities for economies of scale are realised and expenditure is well controlled with demonstrable value for money. The University will continue to invest in its procurement function to achieve this objective. The Proactis purchase ordering and expenses system was introduced in 2012/13 and full organisational roll out has now been achieved. This system will improve budgetary control and cost management.

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.

This report was approved by the Board of Trustees on 10 December 2014.



Trustee

IAN MEINTENS



Trustee

SHONA MILNE

Regent's University London

TRUSTEES' REPORT

Status and Administration

Regent's University London ("The University") was founded in 1984 and is a company limited by guarantee, not having a share capital. The University 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 through a range of recruitment tools and there is a formal training and induction process for Trustees. The Trustees are invited to meet with the Chair and key personnel to discuss the operation and administration of the University.

The Board of Trustees meets formally four times a year and has complete responsibility for the stewardship of the University'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 Vice Chancellor & Chief Executive Officer and senior management team. It also holds a number of strategic planning days each year with the full Directorate.

In the year ended 31 July 2014, six committees of Trustees carry out certain tasks within specific terms of reference as follows:

- Audit and Risk Committee
- Finance & Investment Committee
- Human Resources Committee
- Remuneration Committee
- Estates & Infrastructure Committee
- Nominations Committee

At 31 July 2014, the Board of Trustees comprised 20 Trustees.

Charitable Objects

The Objects of the Charity, as set out in the Articles of Association, as revised 22 May 2013, are the advancement of education for the public benefit and the foundation, maintenance and support of a University or Universities and other educational colleges or institutions 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 University'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 University;
- Playing a leading role in the University's continuing development; and
- The full integration of all the Schools within the Regent's University London unified structure in line with its status as an educational charity and to undertake and support various charitable activities in pursuit of this objective.

Regent's University London

TRUSTEES' REPORT

The University 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 University's core values, being:

- Excellence
- Employability and entrepreneurship
- Professionalism
- Equality, mutual respect, honesty and inclusion
- Public benefit
- Maximising individuals' potentials
- Internationalism
- Diversity
- Citizenship
- Sustainability

The University 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.

University Structure

The University has two faculties to deliver its core business, 'Business and Management' and 'Humanities, Arts and Social Science'. The University also operates the Regent's Institute of Languages and Culture which is independent from the faculties and consolidates the University's language provision. The faculties incorporate subject based academic communities, departments and a number of clear brands, which own and manage portfolios of programmes.

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

During the year the Directorate, comprising senior managers and led by the Vice Chancellor & Chief Executive Officer provided the executive management for the University and had oversight of the day-to-day operation of the University, considered emerging issues, developed policies and strategy and reviewed risk.

The University 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 2014, the University had two trading subsidiary companies, Regent's Conferences & Events Limited which provides catering and conference services and Regent's Marylebone Limited. Regent's Marylebone Limited was previously known as American InterContinental University Limited; acquired through the purchase of 100% of the share capital on 1 April 2013. Any taxable profits from subsidiary companies are transferred by gift aid to the parent organisation. The trade of Regent's Marylebone Limited was transferred to the University on 1 August 2014 and it is likely that the fixed assets will transfer to the University in the year ended 31 July 2015 following lease re-assignment.

Public Benefit

The University is committed to making a meaningful contribution to public benefit and will achieve this through the delivery of a series of outreach programmes. Outreach at Regent's constitutes activities that go beyond the University's primary function of providing education to its students, and includes activities that involve its staff, students, resources, facilities and knowledge.

The University's outreach strategy focuses on two main areas; widening participation and public engagement.

Widening Participation

Through its widening participation aims, the University is committed to being more inclusive and accessible to the local community and to students beyond its traditional cohort. Widening participation at Regent's University London is facilitated primarily through bursaries and scholarships. From 2013/14 a process has been defined and marketing secured to target bursaries at students who are from financially disadvantaged backgrounds, but academically able. Scholarships at Regent's University London will continue to be based on merit, for which anyone can apply.

The University has also pursued a policy of developing relationships with secondary schools. In particular it is building a strong partnership with Regent High School in Camden and has initiated a number of collaborative exercises. The University also launched the first schools' Model United Nations that engaged a dozen London state funded schools and was held on the university campus. This activity will be repeated annually and is expected to grow significantly in number and geographical engagement in future years.

Public Engagement

Through collaboration and sharing its knowledge, the University is putting great effort into reaching a wider audience. In the past year, the University continued to host a wide programme of public lectures, seminars and talks on topics ranging from social entrepreneurship to human rights. In addition, many members of staff and students are part of governing bodies, have been invited to be guest speakers and have had opinion pieces published in national and international press.

Employment of disabled persons

The University has an equal opportunities policy which states that the University 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 University. 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 Vice Chancellor & Chief Executive Officer and members of the Directorate present a summary of developments in the University and responds to questions;
- 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 University's activities; and
- the University's intranet.

Payment of creditors

The University's policy is to pay all suppliers no later than 30 days from the end of the month in which the invoice was received, other than where there is a dispute regarding the invoice.

Regent's University London

TRUSTEES' REPORT

Responsibilities of the Trustees of Regent's University London

The Trustees are responsible for preparing the Strategic report, the directors' 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 University and of the incoming resources and application of resources of the University 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 University will continue in business.

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

Financial statements are published on the University'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 University'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 10 December 2014.



Trustee

IAN MEHETENS



Trustee

SHONA MILNE

Regent's University London

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The governing body of the University is the Board of Trustees. The Board has a Chair and Vice Chair who are not members of staff. The Board ensures that the University is governed in accordance with the Charity's Articles of Association and the Charity Commission's Hallmarks of an Effective Charity.

All Trustees are able to take independent professional advice in furtherance of their duties at the University's expense and have access to the Company Secretary, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Company Secretary are matters for the Board as a whole.

Formal agendas, papers and reports are supplied to trustees in a timely manner, prior to Board meetings. Briefings are also provided on an ad-hoc basis.

The Board has a strong and independent non-executive element and no individual or group dominates its decision making process. The Board considers that each of its non-executive members is independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

In addition to the independent trustees, the Vice Chancellor is a Trustee ex officio. Further there are two elected trustees, one drawn from academic staff and the other from professional services staff. The elected president of the student union is also appointed to the Trustee board.

There is a clear division of responsibility in that the roles of the Pro-Chancellor & Chair of the Board and Vice Chancellor & Chief Executive Officer of the University are separate.

Appointments to the Board of Trustees

Any new appointments to the Board are a matter for the consideration of the Board as a whole. A Nominations Committee is responsible for the selection and nomination of any new member for the Board's consideration. The Board is responsible for ensuring that appropriate training is provided as required.

Remuneration Committee

The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Vice Chancellor & Chief Executive Officer and other senior managers including members of Directorate.

Audit & Risk Committee

The Committee operates in accordance with written terms of reference approved by the Board. Its purpose is to advise the Board on the adequacy and effectiveness of the University's system of internal control and its arrangements for risk management, control and governance processes.

The Audit & Risk Committee meets three times per annum and provides a forum for reporting by the University's internal and financial statement auditors, who have access to the Committee for independent discussion, without the presence of the University's management.

The University's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit & Risk Committee.

Management are responsible for the implementation of agreed recommendations and internal audit undertake periodic follow up reviews to ensure such recommendations have been implemented.

The Audit & Risk Committee also advises the Board on the appointment of internal and financial statements

Regent's University London

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

auditors and their remuneration for both audit and non-audit work.

Finance & Investment Committee

The Committee operates in accordance with written terms of reference approved by the Board. Its purpose is to oversee the University's financial affairs and to give initial consideration to and advise on any other business of particular importance or complexity.

Internal Control

Scope of responsibility

The Board is ultimately responsible for the University's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated the day-to-day responsibility to the Vice Chancellor & Chief Executive Officer, for maintaining a sound system of internal control that supports the achievement of the University's policies, aims and objectives whilst safeguarding funds and assets. The Vice Chancellor & Chief Executive Officer is also responsible for reporting to the Corporation any material weaknesses or break-downs in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the University's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Regent's University London for the year ended 31 July 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

Risk Management

Risk management helps Regent's University London to have confidence in achieving its long-term aims and to effectively manage any threats to acceptable levels. The University is committed to effective risk management and ensures that all significant risks are understood and prioritised as part of the University'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 University 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 & Risk Committee and through the annual report to the Board. Audit & Risk Committee is also responsible for defining the level of risk appetite for the University.

There exists a clearly defined risk management policy, process and mechanisms for identifying, assessing, monitoring and managing risk. The University has identified 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 Pro Chancellor & Chair of Trustees with the Vice Chancellor & Chief Executive Officer.

Regent's University London

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The Board has reviewed the key risks to which the University is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal on-going process for identifying, evaluating and managing the University's significant risks that has been in place for the period ending 31 July 2014 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board.

The risk and control framework

The system of internal control is based on a framework of regular management information, administration procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Board;
- Regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecasts;
- Comprehensive financial regulations, detailing financial controls and procedures, approved by the Board;
- Clearly defined capital investment approval and control guidelines; and
- The adoption of formal project management disciplines, where appropriate.

The University has an internal audit service, which operates in accordance with the requirements of the HEFCE's Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the University is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Board on the recommendation of the Audit & Risk Committee.

As a minimum, the Head of Internal Audit (HIA) annually provides the Audit & Risk Committee with a report on internal audit activity in the University. The report includes the HIA's independent opinion on the adequacy and effectiveness of the University's system of risk management, controls and governance processes.

Review of effectiveness

The Vice Chancellor & Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. The Vice Chancellor & Chief Executive Officer's review of the effectiveness of the system of internal control is informed by:

- The work of the internal auditors;
- The work of the senior managers within the University who have responsibility for the development and maintenance of the internal control framework; and
- Comments made by the University's financial statements external auditors, in their management letters and other reports.

The Audit & Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board's agenda includes a regular item for consideration of risk and control and receives reports thereon from management and the Audit & Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.



Chair of the Board **IAN MCINTERE**
10 December 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REGENT'S UNIVERSITY LONDON

We have audited the financial statements of Regent's University London for the year ended 31 July 2014 which comprise the consolidated and University income and expenditure, the consolidated statement of total recognised gains and losses, the Consolidated and University 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 University'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 University'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 University and the University'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 15, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2014 and of the group's and the parent charitable company's deficit 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 Strategic report and 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.



James Aston, (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, West Sussex, United Kingdom
Date 15 December 2014

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

Regent's University London
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 July 2014

	Notes	Year ended 31 July 2014 £000	Year ended 31 July 2013 £000
Income			
Tuition fee income	1	45,301	41,004
Other income	2	7,647	6,955
Investment income	3	222	237
Total Income		53,170	48,196
Expenditure			
Staff costs	4	24,455	20,750
Other operating expenses	6	27,858	23,128
Depreciation	9	3,164	2,468
Interest and other finance costs	5	182	120
Total Expenditure		55,659	46,466
(Deficit)/surplus after depreciation of tangible fixed assets and before tax		(2,489)	1,730
Taxation		-	-
(Deficit)/surplus after depreciation of assets and tax but before exceptional items		(2,489)	1,730
Exceptional items			
Disposal of fixed assets and investments	7	(19)	34
(Deficit)/surplus on continuing operations after depreciation of assets and disposal of assets and tax and retained within general reserves		(2,508)	1,764

All the above results are derived from continuing activities.

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

Regent's University London
UNIVERSITY INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 July 2014

	Notes	Year ended 31 July 2014 £000	Year ended 31 July 2013 £000
Income			
Tuition fee income	1	41,657	39,182
Other income	2	8,742	6,506
Investment income	3	218	236
Total Income		50,617	45,924
Expenditure			
Staff costs	4	22,469	19,726
Other operating expenses	6	26,878	21,466
Depreciation	9	2,926	2,388
Interest and other finance costs	5	182	120
Total Expenditure		52,455	43,700
(Deficit)/surplus after depreciation of tangible fixed assets and before tax		(1,838)	2,224
Taxation		-	-
(Deficit)/surplus after depreciation of assets and tax but before exceptional items		(1,838)	2,224
Exceptional items			
Disposal of fixed assets and investments	7	(19)	34
(Deficit)/surplus on continuing operations after depreciation of assets and disposal of assets and tax and retained within general reserves		(1,857)	2,258

All the above results are derived from continuing activities.

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

Regent's University London

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 July 2014

	Notes	Year ended 31 July 2014 £000	Year ended 31 July 2013 £000
(Deficit)/surplus on continuing operations after depreciation of assets, disposal of assets and tax		(2,508)	1,764
Unrealised gains on revaluation of investments	10	95	290
Total (losses)/gains since the last period		(2,413)	2,054
Reconciliation			
Opening reserves		20,189	18,135
Total recognised (losses)/gains for the year		(2,413)	2,054
Closing reserves		17,776	20,189

Regent's University London

BALANCE SHEETS

31 July 2014

	Notes	Group 31 July 2014 £000	Group 31 July 2013 £000	University 31 July 2014 £000	University 31 July 2013 £000
Fixed Assets					
Intangible assets – negative goodwill	8	(1,225)	(1,366)	-	-
Tangible assets	9	14,677	15,025	12,184	12,385
Investments	10	5,422	5,189	5,422	5,274
		<u>18,874</u>	<u>18,848</u>	<u>17,606</u>	<u>17,659</u>
Current Assets					
Debtors	11	5,884	5,858	6,344	6,133
Short term deposits		1	3,821	1	3,821
Cash at bank and in hand		7,377	8,670	6,376	6,932
		<u>13,262</u>	<u>18,349</u>	<u>12,721</u>	<u>16,886</u>
Current Liabilities					
Creditors: amounts falling due within one year	12	(11,021)	(12,569)	(9,873)	(11,229)
		<u>2,241</u>	<u>5,780</u>	<u>2,848</u>	<u>5,657</u>
Net Current Assets					
		<u>2,241</u>	<u>5,780</u>	<u>2,848</u>	<u>5,657</u>
Long Term Liabilities					
Creditors: amounts falling due after one year	13	(912)	(1,088)	(912)	(1,088)
		<u>(912)</u>	<u>(1,088)</u>	<u>(912)</u>	<u>(1,088)</u>
Provisions for liabilities					
Other provisions	14	(2,427)	(3,351)	(554)	(1,478)
		<u>(2,427)</u>	<u>(3,351)</u>	<u>(554)</u>	<u>(1,478)</u>
TOTAL NET ASSETS		<u>17,776</u>	<u>20,189</u>	<u>18,988</u>	<u>20,750</u>
Reserves					
Revaluation reserve	16	476	381	476	381
General reserve	17	17,300	19,808	18,512	20,369
		<u>17,776</u>	<u>20,189</u>	<u>18,988</u>	<u>20,750</u>

These financial statements were approved and authorised for issue by the Board on 10 December 2014 and signed on its behalf by



Trustee

IAN MEHETENS

Company number 1791760



Trustee

SHONA MILNE

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

Regent's University London
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 July 2014

	Notes	Year ended 31 July 2014 £000	Year ended 31 July 2013 £000
Net Cash (Outflow)/Inflow from Operating Activities	20	(1,122)	5,089
Return on Investments and Servicing of Finance	21	40	117
Capital Expenditure and Financial Investment	22	(3,901)	(3,151)
Cash (Outflow)/Inflow before use of Liquid Resources and Financing		(4,983)	2,055
Management of Liquid Resources	24	3,820	2
Financing Activities	23	(130)	480
Cash Acquired on Purchase of Regent's Marylebone Limited		-	1,281
(Decrease)/Increase in Cash for the Period		(1,293)	3,818

Reconciliation of Net Cash Flow to Movement in Net Funds

	Notes	Year ended 31 July 2014 £000	Year ended 31 July 2013 £000
(Decrease)/Increase in Cash in the Period		(1,293)	3,818
Cash withdrawn from Liquid Resources		(3,820)	(2)
Finance leases		(130)	480
Change in Net Funds		(5,243)	4,296
Opening Net Funds at 1 August		13,757	9,461
Closing Net Funds at 31 July	25	8,514	13,757

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

Regent's University London

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2014

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 for Further and Higher Education' (SORP 2007).

After making appropriate enquiries, the Board considers that the University has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

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

Basis of Consolidation

The consolidated financial statements incorporate the results of Regent's University London and all of its subsidiary undertakings as at 31 July 2014 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

Intangible Fixed Assets and Amortisation

Intangible fixed assets represent:

Goodwill arising on an acquisition of a subsidiary undertaking as being the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the Trustees' estimate of its useful economic life which ranges from 15 to 20 years. Any negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised in the profit and loss account in the periods expected to be benefited. Impairment tests on the carrying value of goodwill are undertaken:

- at the end of the first full financial year following acquisition;
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

An impairment test was undertaken in line with FRS10 and no adjustments resulted.

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

Regent's University London

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2014

Tangible Fixed Assets and Depreciation (continued)

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- * Assets capacity increases
- * Substantial improvement in the quality of output or reduction in operating costs
- * Significant extension of the assets life beyond that conferred by repairs and maintenance

Investments

Investments, other than investments in subsidiary undertakings, are stated at market value.

Pensions

The company contributes a defined amount to specified Personal Policies taken out by eligible employees. Contributions are charged for the period to which they relate.

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

Regent's University London is an exempt charity within the meaning of Schedule 2 of the Charities Act 2011 and as such is a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by parts two and three of part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of value added tax (VAT). Due to the nature of the University'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 income and expenditure account when it is of a revenue nature.

Operating Leases

Rental costs in respect of operating leases are charged to the income and expenditure account 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 income and expenditure 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 income and expenditure 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.

Regent's University London

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2014

Turnover

Tuition fees, and other similar income, are recognised evenly over the period of the relevant course and are the University's main source of income.

Income from commercial trading activities is recognised at the point at which it is earned.

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

Liquid Resources

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

Provision for Liabilities

Where there is an expectation of unavoidable costs of relating to repairs in a lease, a provision is made for the value of the obligations under the lease. The provision is discounted where the effect of such is material.

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2014

1. Tuition Fee Income

	Group Year ended 31 July 2014 £000	Group Year ended 31 July 2013 £000	University Year ended 31 July 2014 £000	University Year ended 31 July 2013 £000
Tuition and registration fees	45,526	40,978	41,882	39,156
Exchange (loss)/gain	(225)	26	(225)	26
	45,301	41,004	41,657	39,182

The turnover of the Group and University during the period was all derived in the same geographical area.

2. Other Income

	Group Year ended 31 July 2014 £000	Group Year ended 31 July 2013 £000	University Year ended 31 July 2014 £000	University Year ended 31 July 2013 £000
Residences & Catering	5,403	5,070	5,173	4,924
Rental and Room Hire	309	145	354	293
Central services	-	-	2,646	753
Trips & Excursions	158	245	158	245
Car Park	104	106	105	108
Conferencing	1,205	1,194	-	-
Other	468	195	306	183
	7,647	6,955	8,742	6,506

3. Investment Income

	Group Year ended 31 July 2014 £000	Group Year ended 31 July 2013 £000	University Year ended 31 July 2014 £000	University Year ended 31 July 2013 £000
Bank interest receivable	57	85	53	84
Other interest receivable	36	35	36	35
Dividend income	129	117	129	117
	222	237	218	236

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2014

4. Employees

	Group Year ended 31 July 2014 No.	Group Year ended 31 July 2013 No.	University Year ended 31 July 2014 No.	University Year ended 31 July 2013 No.
The average number of persons (excluding Trustees) employed during the period was:				
Management and administration	304	275	285	241
Academic	257	234	232	214
Total average full time equivalent	561	509	517	455

	Group Year ended 31 July 2014 £000	Group Year ended 31 July 2013 £000	University Year ended 31 July 2014 £000	University Year ended 31 July 2013 £000
Staff costs for the above persons:				
Wages and salaries	20,288	17,310	18,607	16,411
Social security costs	2,112	1,821	1,948	1,732
Other pension costs	2,055	1,619	1,914	1,583
	24,455	20,750	22,469	19,726

	Year ended 31 July 2014 £000	Year ended 31 July 2013 £000
Trustees' remuneration:		
Trustees' emoluments	152	3
Company contributions to Pension	13	-
	165	3

Three staff Trustees were remunerated in the period (2013: £755 paid to Carol Rue in relation to career coaching fees and £1,961 paid to Marguerite Dennis for consultancy).

Eleven Trustees were reimbursed for travel and subsistence expenses for attending meetings during the period. The aggregate amount reimbursed was £11,787 (2013: £34,143).

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2014

4. Employees (continued)

	Group Year ended 31 July 2014 No.	Group Year ended 31 July 2013 No.	University Year ended 31 July 2014 No.	University Year ended 31 July 2013 No.
The number of employees with emoluments of £60,000 or more during the period for Regent's University London and its subsidiaries was :				
£60,000 – £69,999	15	8	14	8
£70,000 – £79,999	5	4	5	4
£80,000 – £89,999	2	3	2	3
£90,000 – £99,999	-	1	-	1
£100,000 – £109,999	2	-	2	-
£110,000 – £119,999	1	2	1	2
£120,000 – £129,999	1	2	1	2
£230,000 – £239,999	1	1	1	1
	27	21	26	21

Pension costs relating to 27 (2013: 21) employees earning more than £60,000 during the period were £194,278 (2013: £143,462).

5. Interest and other finance costs

	Group Year ended 31 July 2014 £000	Group Year ended 31 July 2013 £000	University Year ended 31 July 2014 £000	University Year ended 31 July 2013 £000
Finance lease charges	182	120	182	120
	182	120	182	120

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2014

6. Analysis of other operating expenses

	Group Year ended 31 July 2014 £000	Group Year ended 31 July 2013 £000	University Year ended 31 July 2014 £000	University Year ended 31 July 2013 £000
Academic departments	4,865	4,422	3,625	3,225
Academic services	3,240	1,936	3,485	2,145
Admin and central services	7,074	4,867	7,175	5,006
Premises	7,406	6,898	7,406	6,898
Residences, catering and conferences	3,113	3,285	3,113	3,286
Research grants and contracts	15	4	15	5
Bad debts	66	321	947	321
Goodwill amortisation	(141)	(47)	-	-
Bursaries, scholarships and discounts	1,459	850	1,177	812
Other expenses	761	592	(65)	(232)
	27,858	23,128	26,878	21,466

322 scholarships were granted to individuals in the period ended 31 July 2014 (2013: 228).

Other operating expenses include:

Operating lease rental – land and buildings	4,639	3,931	3,495	3,302
– Others	22	13	-	-
Auditors' remuneration (excluding VAT)				
- Audit services – University	55	55	55	55
- subsidiary companies	16	-	-	-
- Other services - taxation	13	24	13	22
- Other services - prof advice	-	42	-	42
Depreciation on assets held under finance lease	320	203	320	203

7. Exceptional items

	Group Year ended 31 July 2014 £000	Group Year ended 31 July 2013 £000	University Year ended 31 July 2014 £000	University Year ended 31 July 2013 £000
Realised (loss)/gain on fixed asset investments	(19)	34	(19)	34
	(19)	34	(19)	34

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
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8. Intangible Fixed Assets

GROUP	Goodwill £000
Cost	
1 August 2013 and 31 July 2014	(1,413)
Amortisation	
1 August 2013	(47)
Charged in the year	(141)
31 July 2014	(188)
Net book value	
31 July 2014	(1,225)
31 July 2013	(1,366)

9. 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 2013	20,348	4,576	1,341	5,994	145	32,404
Additions	562	1,632	22	600	-	2,816
Disposals	(23)	(220)	(24)	(58)	-	(325)
31 July 2014	20,887	5,988	1,339	6,536	145	34,895
Depreciation						
1 August 2013	9,503	2,466	1,281	4,041	88	17,379
Charged in the year	1,280	1,023	34	801	26	3,164
Disposals	(23)	(220)	(24)	(58)	-	(325)
31 July 2014	10,760	3,269	1,291	4,784	114	20,218
Net book value						
31 July 2014	10,127	2,719	48	1,752	31	14,677
31 July 2013	10,845	2,110	60	1,953	57	15,025

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
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9. Tangible Fixed Assets (continued)

UNIVERSITY	Short leasehold improvements £000	Computer equipment £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost						
1 August 2013	17,026	4,250	1,341	5,383	145	28,145
Additions	512	1,624	15	574	-	2,725
31 July 2014	17,538	5,874	1,356	5,957	145	30,870
Depreciation						
1 August 2013	8,736	2,219	1,281	3,436	88	15,760
Charged in the year	1,106	983	27	784	26	2,926
31 July 2014	9,842	3,202	1,308	4,220	114	18,686
Net book value						
31 July 2014	7,696	2,672	48	1,737	31	12,184
31 July 2013	8,290	2,031	60	1,947	57	12,385

Assets held under finance leases for the group amounted to a net book value of £890,448 at the balance sheet date. (31 July 2013: £1,115,715)

10. Fixed Asset Investments

	Group 31 July 2014 £000	Group 31 July 2013 £000	University 31 July 2014 £000	University 31 July 2013 £000
Listed investments and cash deposits	5,417	5,184	5,417	5,184
Investment in shares	5	5	5	5
Subsidiary undertakings	-	-	-	85
	5,422	5,189	5,422	5,274

GROUP AND UNIVERSITY

	£000
Quoted investments and cash deposits:	
Market value at 1 August 2013	5,184
Less: Disposals at original cost (proceeds £1,114,333; loss £18,469)	(1,133)
Management fees	(4)
Add : Acquisitions at cost	1,275
Gain on revaluation at 31 July 2014	95
Market value at 31 July 2014	5,417

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
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10. Investments (continued)

	Quoted investments £000	Cash deposits £000	Total £000
Investment assets in the UK	4,958	175	5,133
Investment assets outside the UK	284	-	284
31 July 2014	5,242	175	5,417
Market value: 31 July 2013	5,055	129	5,184
Historic cost of the above investments was: 31 July 2014	4,769	175	4,944
31 July 2013	4,677	129	4,806

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

Investments in individual entities held at 31 July 2014 which are over 5% of portfolio by value are:

	£000
Barings Targeted Return Fund	2,669
Cazenove Investment Fund Management Growth Trust For Charities	297
Cazenove Investment Fund Management Equity Income Trust	364
Schroder UK Corporate Bond Fund	534

All investments are held indirectly through common investment funds.

Investment in shares:

	31 July 2014 £	31 July 2013 £
GEIE EBSI	4,676	4,676
UNIVERSITY	31 July 2014 £	31 July 2013 £
Subsidiary undertakings	15	84,742

Regent's University London

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for the year ended 31 July 2014

10. Investments (continued)

The University holds more than 20% of the equity of the following companies:

Name of company	Class of holding	Proportion held	Nature of business
Regent's Marylebone Limited	550,000 ordinary £1 shares	100%	Provision of Higher Education
Regent's Conferences & Events Limited	2 ordinary £1 shares	100%	Provision of conference facilities
* Internexus Centre for Language Studies Limited	100 ordinary £1 shares	100%	Ceased trading
* 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
* 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
* These companies are in the process of being struck off.			

Regent's University London
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for the year ended 31 July 2014

11. Debtors

	Group 31 July 2014 £000	Group 31 July 2013 £000	University 31 July 2014 £000	University 31 July 2013 £000
Trade debtors	1,993	2,168	1,359	1,890
Amounts due from group undertakings	-	-	1,299	1,093
Other debtors	570	407	570	357
Prepayments and accrued income	3,321	3,283	3,116	2793
	5,884	5,858	6,344	6,133

12. Creditors: Amounts falling due within one year

	Group 31 July 2014 £000	Group 31 July 2013 £000	University 31 July 2014 £000	University 31 July 2013 £000
Trade creditors	2,791	2,539	2,528	2,053
Amounts due to group undertakings	-	-	-	8
Other taxation and social security costs	651	667	604	610
Other creditors	243	892	235	883
Obligations under finance lease contracts	224	179	224	179
Accruals and deferred income	7,112	8,292	6,282	7,496
	11,021	12,569	9,873	11,229

13. Creditors: Amounts falling due after one year

	Group 31 July 2014 £000	Group 31 July 2013 £000	University 31 July 2014 £000	University 31 July 2013 £000
Obligations under finance lease contracts:				
Due 12–24 months	240	215	240	215
Due 24–60 months	672	873	672	873
	912	1,088	912	1,088

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2014

14. Other provisions

	Group	Group	University	University
	31 July	31 July	31 July	31 July
	2014	2013	2014	2013
	£000	£000	£000	£000
Balance at 1 August	3,351	-	1,478	-
Provision for property dilapidation	(924)	1,478	(924)	1,478
Acquired with subsidiary	-	1,873	-	-
Balance at 31 July	<u>2,427</u>	<u>3,351</u>	<u>554</u>	<u>1,478</u>

This relates to repairs provision, recognised on the basis that there is an expectation of future obligations arising from remedial works to be done on leasehold properties. The provision is expected to be spent in 2014/15.

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. Revaluation Reserve

	31 July	31 July
	2014	2013
	£000	£000
GROUP		
Balance at 1 August	381	91
Net movement in funds for the period	95	290
Balance at 31 July	<u>476</u>	<u>381</u>
UNIVERSITY		
Balance at 1 August	381	91
Net movement in funds for the period	95	290
Balance at 31 July	<u>476</u>	<u>381</u>

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2014

17. General Reserve

	31 July 2014 £000	31 July 2013 £000
GROUP		
Balance at 1 August	19,808	18,044
Net movement in funds for the period	(2,508)	1,764
Balance at 31 July	17,300	19,808
UNIVERSITY		
Balance at 1 August	20,369	18,111
Net movement in funds for the period	(1,857)	2,258
Balance at 31 July	18,512	20,369

18. Commitments and Contingent Liabilities

- i) At 31 July 2014 the group had unindexed annual commitments under non-cancellable operating leases as follows:

	31 July 2014 £000	31 July 2013 £000
Land and buildings next 12 months	-	238
Land and buildings 12 - 48 months	262	-
Land and buildings after 60 months	4,105	4,005

- ii) Regent's University London 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 £9,417 (2013: £71,879).
- iii) Regent's University London 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 2014 the University wrote back £343,000 (31 July 2013 £209,000) of deferred income to tuition fees. These balances mainly relate to tuition fee overpayments and credit notes from prior periods (pre 31 July 2012). 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 £159,000 as at the balance sheet date (31 July 2013: £382,000). Pension costs during the period were £2,055,000 (31 July 2013: £1,619,000).

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2014

20. Reconciliation of Surplus before Tax to Net Cash Inflow from Operating Activities

	Year ended 31 July 2014 £000	Year ended 31 July 2013 £000
(Deficit)/surplus after depreciation of tangible fixed assets before tax	(2,489)	1,730
Investment income	(93)	(120)
Dividends received	(129)	(117)
Interest charged on finance leases	182	120
Depreciation	3,164	2,468
Amortisation of intangibles	(141)	(47)
Investment fund management charges	4	2
(Increase)/Decrease in debtors	(26)	974
(Decrease)/Increase in creditors	(1,594)	79
Net Cash (Outflow)/Inflow from Operating Activities	(1,122)	5,089

21. Returns on Investments and Servicing of Finance

	Year ended 31 July 2014 £000	Year ended 31 July 2013 £000
Income from short term investments/interest received	93	120
Dividends received	129	117
Interest paid on finance leases	(182)	(120)
Net Cash Inflow from Returns on Investments and Servicing of Finance	40	117

22. Capital Expenditure and Financial Investment

	Year ended 31 July 2014 £000	Year ended 31 July 2013 £000
Payments to acquire tangible fixed assets	(3,740)	(2,999)
Proceeds from disposal of Tangible fixed assets	-	-
Fund management assets acquired	(1,275)	(691)
Receipts from sales of fund management assets	1,114	539
Net Cash Outflow from Capital Expenditure and Financial Investment	(3,901)	(3,151)

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2014

23. Financing Activities

	Year ended 31 July 2014 £000	Year ended 31 July 2013 £000
New finance leases	53	590
Capital element of finance lease repayments	(183)	(110)
Net Cash (outflow)/inflow from Financing Activities	(130)	480

24. Management of Liquid Resources

	Year ended 31 July 2014 £000	Year ended 31 July 2013 £000
Net (Increase)/Decrease in short term deposits	3,820	2
Net Cash Inflow/(Outflow) from Management of Liquid Resources	3,820	2

25. Analysis of changes in Net Funds

	1 August 2013 Group £000	Cashflows £000	31 July 2014 Group £000
Funds			
Cash at bank and in hand	8,670	(1,293)	7,377
	<u>8,670</u>	<u>(1,293)</u>	<u>7,377</u>
Finance leases	1,266	(130)	1,136
Short term deposits	3,821	(3,820)	1
	<u>13,757</u>	<u>(5,243)</u>	<u>8,514</u>

Regent's University London

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26. Related party transactions

Advantage has been taken of the exemption afforded by Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with wholly owned subsidiary undertakings.

27. Post balance sheet events

The University received formal twenty months' notice from Webster University of St. Louis Missouri to terminate the current agreement pursuant to paragraph 23 of the agreement. This terminates the agreement for Regent's University London to deliver Webster programmes licensed to Regent's University London leading to undergraduate and postgraduate taught awards. A teach-out transition is anticipated to commence shortly. The terms and conditions of the teach-out period are required to be agreed by both universities as well as Webster University's US accreditation body (North Central Learning Commission).

The length of the teach-out period could extend for period up to the date that the last enrolled student (after the agreed spring 2015 admissions) graduates at Regent's University London. Until the teach-out period has been agreed it is not possible to report the anticipated lost revenue accurately and impact on contribution for 2014/15 and beyond. The financial implications for Regent's University London are significant but not considered to be a risk to the University's going concern assumption. The debtor balance at 31 July 2014 was £413,666 and is considered fully recoverable.