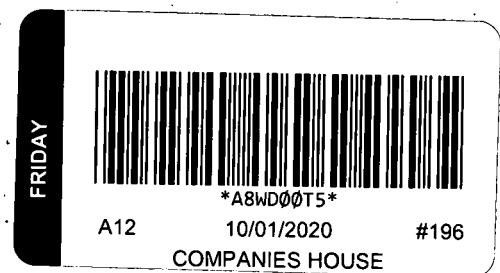


Regent's University London
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 July 2019



Charity No. 291583

Company Registration No. 01791760

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Regent's University London

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Dr Diana Walford CBE – Pro Chancellor & Chair ^{*}, 2, 3, 4, 5, 6, 7
Alison Allden OBE ^{2, 3, 4, 5, 6, 7} – Deputy Chair
David Barker ¹
David Barnes ¹
Kenneth Batty ^{3, 4, 6}
Carole Baume – resigned 27 October 2018
Amanda Bringans – resigned 15 May 2019
Carol Burns ^{3, 6}
Rachel Clarke ^{3, 7}
Professor Aldwyn Cooper – Vice-Chancellor & CEO – resigned 31 July 2019
Sir Graeme Davies ^{3, 6}
Marguerite Dennis ⁵
Tetiana Doronina ^{5, 7} – Student Union President
Matthias Feist ^{5, 7} – Professional Staff Trustee
Elizabeth Jenkins ⁵
Mary Kerr ^{2, 7}
Dominic Laffy ² – Academic Staff Trustee
Professor Carl Lygo – resigned 27 October 2018
Dominic O'Rourke ⁵
Martin Potter ²
Rosalyn Schofield ^{1, 4}
Vimmi Singh ^{2, 4, 7}
Professor Geoff Smith ^{2, 3, 5, 6, 7} – Vice-Chancellor & CEO - appointed 12 August 2019

¹ Member of the Audit and Risk Committee at 31 July 2019

² Member of the Finance & Investment Committee at 31 July 2019

³ Member of the Human Resources Committee at 31 July 2019

⁴ Member of the Remuneration Committee at 31 July 2019

⁵ Member of the Estates & Infrastructure Committee at 31 July 2019

⁶ Member of the Nominations Committee at 31 July 2019

⁷ Member of the Development Committee at 31 July 2019

*The Pro Chancellor & Chair of the Board of Trustees and the Deputy Chair are ex-officio members of the committees, except for the Audit & Risk Committee. They do not normally attend Audit & Risk 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, may 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 if explicitly requested to do so by the Board of Trustees, acting by a two thirds majority.

Vice-Chancellor & Chief Executive Officer

Professor Geoff Smith

Secretary

Richard Reger FCIS

Registered Office and Principal Address

Inner Circle
Regent's Park
London
NW1 4NS

Regent's University London

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External Auditor

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Internal Auditors

Mazars LLP
Tower Bridge House
St Katharine's Way
London
EIW 1DD

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

University Strategy

The University's Strategic Plan 2019-2024 was approved at a meeting of the Board on 17 July 2019. The strategy is framed by two central themes of 'Simplification' and 'Differentiation'. Organisational efficiencies in structures, processes and practices will be delivered through simplification. The University will work to differentiate itself in a crowded higher education sector through the highly personalised experience offered to students.

The Strategy contains six key objectives:

1. Deliver outstanding and inspirational teaching, learning, scholarship and research whilst incrementally enhancing quality;
2. Support and deliver student success, engagement and employability developing successful, effective and engaged global citizens who achieve their maximum potential;
3. Be financially sustainable, balancing income, primarily from tuition fees, with expenditure whilst generating sufficient surpluses to ensure renewal and investment;
4. Embed the culture and supporting behaviours which our staff have said they wish Regent's to espouse;
5. Maintain a strong international ethos; and
6. Actively seek institutional partnerships and alliances where this enhances the academic reputation of Regent's, strengthens our finances and aligns with our institutional values.

The University's Strategic Plan 2019-2024 can be accessed on the University's website <https://www.regents.ac.uk/about/governance>

The University will continue to have a single overall governing body of trustees that will include international perspectives and cross-sectoral expertise.

This report summarises the University's activities in the year ended 31 July 2019. This report is prepared in accordance with the recommendations of the Statement of Recommended Practice – Accounting for Further and Higher Education (2014) and complies with applicable law.

Performance Review

The year ended 31 July 2019 represented a period of investment for the University and a deficit budget was approved by the Board for the year. Despite lower than expected student numbers in autumn 2018, the University invested in the pay and reward system and several aspects of the estate and IT infrastructure as planned. These targeted investments were considered necessary to maintain the long-term attractiveness of the University to both students and staff. Revenue growth has been challenging for the University and remains a strategic priority. Revenues were flat between 2017/18 and 2018/19, which when adjusted for fee inflation of 3% represents a decline in real terms. However, cost control has remained tight and savings against budgeted non-pay costs have resulted in a favourable position against the budget with a loss of £0.5m against a budgeted loss of £1.3m.

Underpinning the dominant planning themes for 2018/19 were the following key milestones:

- Secure the University's future leadership with the appointment of both a new Vice-Chancellor & CEO as well as a Provost & Deputy Vice-Chancellor to replace long-standing Directorate members who retired in summer 2019;
- Negotiate a revised lease of longer length for both the University's Regent's Park campus and Marylebone properties;
- Review the University's portfolio of programmes to ensure attractiveness to potential students and efficiency of delivery;
- Introduce a new pay and reward framework to attract and retain quality staff;
- Complete staff survey and cultural assessment to identify and move towards an ideal culture in the workplace which will help ensure the University achieves its strategic objectives;
- Develop academic planning through using technology to enhance the effectiveness and efficiency of the process, and in doing so improve resource utilisation and management information;
- Implement the University's Learning, Teaching & Assessment Strategy to optimise student experience;
- Strengthen the University's research profile to support programme content; and
- Develop the University's fund-raising programme.

Progress against these milestones includes:

- Professor Geoff Smith joined the University as its second Vice-Chancellor & CEO on 12 August 2019. Professor Matthew Cragoe joined the University on 1 October 2019 as Provost & Deputy Vice-Chancellor. These executive roles were appointed following an extensive recruitment process involving multiple stakeholders.
- Extension to the Park site lease beyond 2042 remains a priority as a lack of clarity on the lease for the Park continues to hinder long-term planning with respect to significant capital projects. The University plans to consolidate activity at the park site from 2020/21 through disposal of the Marylebone properties. The consolidation of activity on a single site will reduce the University's operating costs as well as deliver a better student experience.
- Both faculties finalised five-year business plans in 2018/19. The plans used market research to identify and inform planned developments for the University's portfolio of programmes and a provide a road map for student number and revenue growth in the medium term.
- A new pay and reward framework developed and approved by the Board in 2017/18, was introduced in 2018/19 for all staff. The new framework has addressed long-standing issues with the current system whilst maintaining the link between an individual's pay and performance at an institutional and individual level. Combined with improvements in non-pay benefits, a revised performance management framework and a new HR system, a significant uplift in staff satisfaction and staff retention is expected over the medium-term. The feedback from a pulse-check survey in 2018/19 suggests these initiatives have been well-received.
- A comprehensive staff cultural survey was undertaken in 2018. Colleagues were encouraged to complete the survey and in doing so defined an 'ideal' culture, the 'current' culture and the gap between

the two was identified. The results and causal factors were analysed and discussed with the Directorate and Trustees in 2018/19. Following this work the University consulted with its staff and agreed a set of universal values and behaviours. Guided by an emerging HR & Organisational Development Strategy, the University will endeavour to move towards a culture which is constructive and supportive where the values are 'lived' by all staff. The Regent's Culture is a central tenet of the Strategic Plan 2019-2024 and progress will be monitored closely through KPIs and staff survey results.

- The new timetabling system is now in its third year of operation. The next planned development is to improve academic planning by creating a link between the timetable and staff work load planning. This project commenced in 2019 and the ambition is for 2021/22 academic planning, including the allocation of teaching and non-teaching time to be facilitated by the system. This is a complex project but when delivered, it is expected to lead to significant efficiencies in the academic planning process as well as improving the accuracy of financial reporting at the programme level.
- The University's Learning, Teaching & Assessment (LTAS) Strategy was developed and launched in 2015/16 and runs through to 2020. The strategy aims to ensure that students receive a personalised student experience which is enhanced by the development of learning in interactive and inclusive environments. The impact of the strategy is expected to translate into improved retention rates and high levels of student satisfaction. Following incremental improvements in recent years, the University's National Student Survey (NSS) results for 2018/19 dropped from 85.6% in 2018 to 81.9% in 2019. The current LTAS will be refreshed in 2019/20 following the development of a more distinctive, compelling pedagogical mode. This will focus on transformative learning that will develop in our graduates the skills and attributes required by future employers. Programmes will be developed which will cross disciplines and deliver on our mission of 'Developing Tomorrow's Global Leaders' with the skills to address the challenges of the Fourth Industrial Revolution.
- Our postgraduate portfolio of both taught and research degrees continues to grow in significance, contributing to both income and external academic reputation. While it is essential to underpin post-graduate provision in particular with effective research and scholarship among our academic staff, wider benefits of this activity are felt by students across all levels. Currently three Research Centres are supported, each of which helps strategize our research activity. At present, however, the University has attracted very little external research funding to date although this is something we plan to change.
- The University is determined to create a more future-oriented, market-aligned portfolio and curriculum, underpinned by an innovative academic community in turn informed by research, scholarship, professional practice and new approaches to learning. Support for this comes not only through the University's three Research Centres and our education development provision, but also through the University Academic Workload Allocation Model (WAM) which provides the academic community with time for research, scholarship and innovation.
- The University appointed a Director of Alumni & Fundraising in early 2019 who will work closely with the Vice-Chancellor & Chief Executive Officer, Trustees and other key stakeholders to build a strong infrastructure and lasting community of alumni, donors and friends committed to supporting the University in a wide range of ways. The case for support will be developed in 2019/20 and will clearly articulate the University's fundraising goals and 'asks'.

Financial Activities and Results

Financial Highlights

RESULTS, CASHFLOWS AND RESERVES	Year ended 31 July 2019 £'000s	Year ended 31 July 2018 £'000s Restated
Total Income	44,303	45,867
Total Expenditure	44,895	43,411
(Deficit)/surplus Before Other Gains/(Losses)	(592)	2,456
(Deficit) surplus Before Taxation	(541)	2,502
Cash Flow From Operating Activities (After Taxation)	1,972	4,454
Fixed Assets	20,158	17,755
Net Current (Liabilities)/Assets	(510)	2,434
Total Assets Less Current Liabilities	19,648	20,189
Total Reserves	19,648	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 11. As noted, except for Regent's Conferences & Events 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 £44,303,000 compared with £45,867,000 for the year ended 31 July 2018. The decrease in revenue is mainly due to a reduction in student numbers as a result of falling short of the autumn 2018 budgeted student numbers. Student full time equivalent numbers, excluding English Language Teaching decreased from 2,503 in 2017/18 to 2,309 in 2018/19, a 7.7% reduction.

The University made a strategic investment in the pay and reward system and combined with the annual cost of living increase, pay costs increased by £1,323,000 (6.5%) between 2017/18 and 2018/19. Pay costs as a percentage of income increased from 44.25% in 2017/18 to 48.8% in 2018/19. The percentage movement is substantial and is a combination of the revenue shortfall and the pay and reward investment. This ratio will continue to be tracked and both the improvement in the academic planning and planned simplification of the University's structures have the potential to improve this metric.

Non-pay costs were well controlled and if adjusted for inflation, these costs were lower in real terms in 2018/19 than 2017/18. As at 31 July 2019, the total reserves amounted to £19,648,000 (31 July 2018 restated: £20,189,000).

Bursaries and scholarships of £571,000 (2017/2018: £668,000) were awarded to students based on academic merit and financial need. The number of students benefiting from awards increased, but as high-value former American Intercontinental University London (AIUL) students graduated and left the University, the average award value dropped in 2018/19. This was expected and was a planned cost of the acquisition and integration of AIUL.

The autumn 2019 recruitment looks positive and the budgeted new student number of 847 was exceeded with

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a final intake of 869. This represents an 12.0% increase on autumn 2018's intake of 776. Whilst autumn 2019 was positive, the outlook for student recruitment remains challenging in the medium to long-term and competition for both UK and international students is fierce. Growth remains the University's highest financial priority and investment in portfolio development and marketing will be essential in achieving this objective.

Regent's Conferences & Events Limited performed well in the year ended 31 July 2019 delivering profits of £146,883 (2017/18: profit £261,343). Strong trading, a team at full strength and the quality of the offer from the catering contractor helped to deliver an 5.8% increase in turnover. After adjusting for internal management recharges, which are a fixed cost to the University, the contribution to the Group's overheads was £788,147 (2017/18 £834,707).

Cash Flow

The consolidated cash flow statement shows there was a decrease in cash for the year of £2,996,000 (2017/2018: increase of £1,941,000). The University's net cash inflow from operating activities was £1,972,000 (2017/18: £4,454,000). The overall cash position has remained relatively stable from the end of last year. The majority of cash inflows from operating activities have been reinvested in the University's assets with a substantial increase in capital investment from £2,200,000 in 2017/18 to £4,954,000 in 2018/19. Significant investments were made in the Refectory, Tuke Roof and IT infrastructure. This level of capital spend is not sustainable and planned capital spend in 2019/20 is £2,001,636 in cash terms.

Key Performance Indicators

The financial performance of the group is closely monitored on a monthly basis by the Finance Director 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 & Investment Committee meeting together with a commentary on activity, revenue and expense variances.

The University's key performance indicators were refreshed in 2019 as part of the new Strategic Plan 2019-24. The following financial and non-financial measures were introduced to track performance against University strategic priorities:

Ref	Strategic Area	KPI	Unit	2017/18	2018/19	Target 2023/24	Source
KPI 1	Student success, engagement & employability	Student Satisfaction with quality of their course	%	85.6%	81.9%	90%	Student survey (NSS)
KPI 2	Staff engagement	Staff survey engagement index	%	67%	N/a – no survey	85%	Staff survey
KPI 3	Financially sustainable	Student numbers (FTE)	FTE	2,503	2,309	2,694	HESA FTE definition
KPI 4	Personal/ small feel	Student to academic staff ratio	FTEs	13.4	13.4	<15:1	Jigsaw and MIS teams
KPI 5	Sustainability	Surplus	%	5.4%	-1.2%	6.8%	Audited statutory accounts
KPI 6	Sustainability	Reserves	£m	£20.2	£19.6	£27.8	5 year forecast and audited statutory accounts

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. The Trustees of the University recognise that they have a responsibility to manage the risks 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 annual budgeting process and connected annual operational plans which set out the specific targets and actions against objectives at a departmental level. 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 any restructuring 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 opportunities 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 such as changes to the visa regulations imposed by the UK Visas and Immigration (UKVI) could impact significantly on the number of students attending the University's courses. The re-introduction of the post-study work visa from 2020/21 is a positive signal from Government. However, a period of significant political instability, coupled with the fact that the University's income is substantially derived from academic programmes, means that adequate reserves are necessary in the event of a temporary reduction in student numbers as a result of changes in Government policies.

The University under-recruited against the student number target in the three years 2013/14 - 2015/16 and again in autumn 2018. Reserves to fund its activities over this period whilst the causes of the under-recruitment were addressed, and the University's running costs were reduced.

The University reviews new programmes as well as the existing portfolio through the Senate Portfolio Scrutiny Panel. This effectiveness and efficiency of this process is under review and it is likely that portfolio development shifts from Senate to the Directorate in 2019/20. The risk of failing to recruit is mitigated by ensuring all programmes are commercially viable before approval by the committee and adequate resources are allocated to marketing activity. The University has also restructured and invested in the Marketing, Recruitment & Admissions department and the systems they use to manage applicants. Enquiry management has been outsourced since 2014 and consideration will be given to in-sourcing this function with a decision to be taken in 2019/20. The University completed the new website in 2018/19 as planned; the primary purpose of which is to drive student recruitment and tuition revenues.

- 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. The Estates & Infrastructure Committee has oversight of all significant estates developments and monitors spend against budget for all projects. A Blueprint for development of the estate over the medium term was presented and approved by Trustees in 2017/18. The Blueprint includes several big-ticket impact projects such as the Refectory mezzanine. Some of these projects have been completed, others are anticipated over the medium-term and are designed to improve

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the student experience as well as increase revenues. Significant investment may be required in the longer term on the Botany Building and Reid Hall which may require external funding depending on the specification of the schemes.

- The University continues to review its business operating model to ensure the appropriateness of the structure to deliver the strategic plan. The budgeting process for 2019/20 ensured that resources were allocated to ensure the University's key priorities are achieved.
- 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 as well as ensuring that there are sufficient resources to deliver the Student Protection Plan in the event of the closure of programmes or the entire University.
- The University requires reserves to fund its on-going intention of increasing and further developing research activities.

The Finance & Investment Committee reviews the level of the reserves to ensure that the University can meet its likely commitments and the Trustees review the reserves projections on an annual basis as part of the budget setting process. 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 2019 they amounted to £19,240,000 (31 July 2018 restated: £19,978,000) but only £5,851,000 (31 July 2018: £8,686,000) of this is freely available because the balance is invested in fixed assets. Total group reserves were £19,648,000 at 31 July 2019 (31 July 2018 restated: £20,189,000).

Investment Policy and Results

The University's investment policy permits cash deposits with a range of larger banks and financial institutions. 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 2019, most of the investments are linked to the stock and bond market and the performance of the funds is monitored on a regular basis.

As at 31 July 2019 the value of the investments amounted to £6,950,000 (31 July 2018: £6,694,000). The University continues to monitor the performance of the fund managers through the Finance & Investment Committee and the University meets with its fund managers at least once a year.

Outlook

The medium-term outlook for UK higher education remains challenging for many universities and whilst Regent's is not isolated from increased competition in the sector, with a new Strategic Plan for 2019-2024 focussed on differentiation and simplification, coupled with new leadership, the University is well positioned to capitalise on opportunities and manage the risks from operating in a volatile market.

The University's greatest asset is its people. The deficit in 2018/19 is primarily the result of investment in a new pay and reward structure which addressed several long-standing issues. There are early indications that the changes have been positively received and staff turnover rates are falling. The University recognises that this is only one of several initiatives to improve the staff engagement and the transition towards a more positive working culture. The University will be developing a blueprint for a single academic structure in 2019/20 which will draw upon best practice currently within the University whilst harmonising practices, processes and policies. Academic planning will also be reviewed in 2019/20 with the introduction of a new system to link the timetable and academic workloads. These two significant projects carry risk, particularly following a major restructuring project in 2016/17, but the benefits in terms of staff engagement and efficiencies are expected to be significant.

Student number growth remains an ambition of the university and an increase in the current student population is required to ensure adequate surplus is generated for re-investment in the University's proposition. The strategy assumes modest organic growth to 2,694 FTE students by 2023/24, and whilst institutional partnerships and alliances will be pursued where there is a high level of synergy, these collaborative projects are not expected

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to lead to full acquisition or merger. Programmes within the portfolio will continue to be carefully scrutinised and new/re-validated programmes will be efficiently designed within the single academic structure with clear alignment to the University's mission of 'Developing Tomorrow's Global Leaders'. The University will also be considering its fees in 2019 for the period 2021/22 with a view to maximising revenues whilst maintaining Value for Money (VfM) for students.

In a highly competitive market, it is essential that a new, small University maintains a distinct offer to stand-out from other universities. The University's mission needs to be authentic, clearly framed and well communicated. The Marketing, Recruitment & Admissions (MRA) function manages the University's brand and promotion of the Regent's University London offer to potential students. Within MRA, the University's enquiry management function was reviewed in 2019 and changes in business processes, as well as technology, are expected in 2019/20. Changes to operations in this area will be designed to improve the interaction with prospective students, and in doing so improve personalisation and ultimately improve conversion rates. A new University website was developed and launched in 2019, primarily as a communication tool to drive increased student recruitment. The website launched on-time and has received positive feedback from stakeholders.

The University recognises the increasing importance of data in higher education. Several key data-sets drive the outcome of Teaching Excellence Framework (TEF) assessment. As such there will be a drive for continual improvement in these metrics in order to improve on the Bronze TEF result in 2019. The University's ambition is to achieve a Gold TEF rating by 2023/24. Student survey (NSS), employability and graduate salaries, retention and success rate data will continue to be closely monitored by the University to ensure the Strategic Plan is being delivered.

Politico-economic factors have increased volatility within several markets served by the University. Although there remains a lack of clarity regarding the outcomes of the Brexit process, the University is not overly exposed in terms of EU students who rely on access to the Student Loan Company. The University's low concentration of Chinese students also reduces the risk of a fall in student numbers as a result of the economic impact of the US-China Trade War. A positive development for the University is the re-introduction of the post-study work visa which will apply from 2020/21 and will make studying in the UK more attractive particularly in regions such as south Asia.

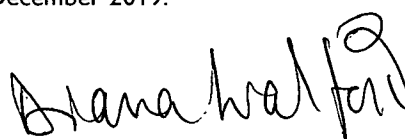
After positive recruitment rounds in autumn 2016 and 2017 with budget targets surpassed, autumn 2018 disappointed with a 9% shortfall against the new student budget target of 881. The 2019 autumn target of 847 was exceeded, however the impact of the shortfall in 2018 will continue to impact on the University's finances with fewer returning students. Through a combination of investment in the University's proposition, better recruitment and retention of students and efficiency savings through simplification of operations, the University anticipates generating a surplus in 2020/21 trending to 6.8% by 2023/24.

Portfolio reviews have now taken place across both faculties to ensure that the portfolio is attractive to potential students and growth potential is maximised. The recruitment mix is changing with fewer foundation students but greater demand for postgraduate programmes. Undergraduate numbers remain consistent with prior years but through the re-validation and re-launch of the University's largest undergraduate programmes in 2021/22, growth is expected. The University will continue to serve the foundation, undergraduate and postgraduate markets, but recognises the increased risk inherent in a shift to a higher proportion of postgraduate students. Postgraduate student income is released over 12-18 months rather than 4-5 years at foundation level. This means potentially more resource will need to be invested in the marketing effort. In addition to new programmes, a Regent's signature pedagogy will also be developed and woven into the fabric of all programmes equipping students for the challenges of the Fourth Industrial Revolution.

This report was approved by the Board of Trustees on 11 December 2019.



Prof Geoff Smith
Trustee



Dr Diana Walford
Trustee

Regent's University London

TRUSTEES' REPORT

Regent's University London ("The University") was founded in 1984 and is a company limited by guarantee, not having a share capital (company number 1791760). The University is a registered charity, registered at the Charity Commission under charity number 291583. The University is a registered English Higher Provider with the Office for Students (OfS) (UKPRN 10003331). It is governed by its Articles of Association.

New independent Trustees are recruited through a range of recruitment tools and there is a formal training and an induction process. New 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 at least 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 the Directorate as the executive management team. The Board also holds several strategic planning days each year with the Directorate.

In the year ended 31 July 2019, seven committees of Trustees carried out certain tasks within specific terms of reference as follows:

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

At 31 July 2019, the Board of Trustees comprised of 19 Trustees.

Charitable Objects

The Objects of the Charity, as set out in the Articles of Association (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 governance framework that is measured against and compliant with the governance code of the Committee of University Chairs.

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. A new Strategic Plan for the period to 2023/24 was agreed by the Board in 2019 and is published on the University's website.

<https://www.regents.ac.uk/about/governance>

In addition, the Trustees' role includes:

- Holding the Directorate to account;
- Financial, compliance, legal and risk stewardship;
- Academic assurance;
- Senior appointments, including the Vice-Chancellor & Chief Executive Officer;
- Ensuring transparency and accountability; and
- Monitoring the effectiveness of the Board itself.

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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 which are:

- Caring;
- Collaboration;
- Integrity;
- Excellence; and
- Internationalism.

The University Mission

Developing tomorrow's global leaders.

What we are

A leading, independent, not-for-profit, charitable, 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 consolidates the University's languages provision. The faculties incorporate subject based academic communities which own and manage a portfolio of programmes. This structure will be reviewed as part of the University's Strategic Plan 2019-24 with a view to simplifying the structure to improve effectiveness and efficiency.

All Programmes 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 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 2019, the University had one trading subsidiary company, Regent's Conferences & Events Ltd which provides catering and conference services. Any taxable profits from subsidiary companies are transferred by gift aid to the parent organisation.

Public Benefit

The Trustees have paid due regard to the Charity Commission's guidance on public benefit when carrying out activities to which it is relevant.

The University delivers teaching and research to a wide range of students. The University is committed to making a meaningful contribution to public benefit and further achieves this through the delivery of a series of outreach programmes. Outreach at Regent's University London 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. Scholarships at Regent's University London

Regent's University London

TRUSTEES' REPORT

will continue to be based on merit, for which anyone can apply. Bursaries are aimed at students from financially disadvantaged backgrounds, but academically able.

The University has also pursued a policy of developing relationships with secondary schools. In particular, the University is building strong partnerships with schools within the London Boroughs of Westminster and Camden through several collaborative exercises, including hosting their first employability School's Fair with charity partner One Westminster. In summer 2019, Regent's University London recently welcomed female students from Richmond & Hillcroft Adult Community College (RHACC) for a two week course in screenwriting. This included a mixture of lectures and workshops. Over the duration of the course, three films were produced with strong messages - in different ways - of women's liberation and equality and what those things might mean for women today.

The University also hosted the sixth annual Schools' Model United Nations Conference. The conference, organised by Regent's staff and alumni, saw students from 14 schools address challenges including artificial intelligence, climate refugees (people displaced by the effects of climate change), food security and climate, the right to privacy and cyber security, crisis and conflict in Yemen.

Public Engagement

Through collaboration and sharing its knowledge, the University is putting great effort into reaching a wider audience. The fourth International Peace Summit, hosted in partnership with the Tutu Foundation, brought together experts from wide-ranging backgrounds: politics, the media, NGOs, the voluntary sector, academics and students to consider how trouble spots can become safe spaces. The list of eminent speakers included Sir Michael Palin, Andrew Mitchell QC, 2020 London Mayoral candidate Shaun Bailey, Director General Dr Ahmad Al Dubayan of the Islamic Centre and London Central Mosque and South African High Commissioner to the UK, Nomatamba Tambo.

We also continued to sponsor the St Marylebone Festival, which celebrated the St Marylebone's American connections. Regent's sponsored the GRAMMY award-winning San Francisco Girls Chorus performance, featuring American choral music by one of the USA's leading choirs.

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 with the University and respond 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.

Statement of trustees' responsibilities

The Trustees (who are also directors of Regent's University London for the purposes of company law) are responsible for preparing the Trustees' Report and Strategic Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the University and the group and of the incoming resources and application of resources, including the income and expenditure, 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 UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

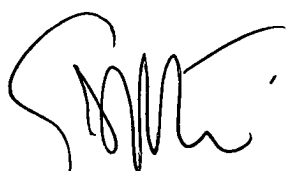
The Trustees are responsible for the maintenance and integrity of the University's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees recognise their responsibility for the academic assurance of the University and monitor the quality of programme delivery. They complete an annual review and sign off their confidence with the regulatory authorities in December.

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 11 December 2019.



Prof Geoff Smith
Trustee



Dr Diana Walford
Trustee

Regent's University London

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The governing body of the University is the Board of Trustees. The Board is collectively responsible for the long-term success of the University and is responsible for constructively challenging the Directorate and helping to set the strategic direction of the University. The Board has a Chair and Deputy Chair who are independent. The Board ensures that the University is governed in accordance with its Articles of Association. The University has adopted and complies with the Committee of University Chairs' (CUC) Code of Governance, which is considered to be best practice within the sector.

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. A code of conduct and a policy on managing conflicts of interest clearly set out the responsibilities and duties of individual Trustees. None of the independent Trustees receive any payment, apart from the reimbursement of reasonable expenses, for the work that they do for the University.

In addition to the independent Trustees, the Vice-Chancellor & Chief Executive Officer is a staff 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.

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.

All Trustees are able to take independent professional advice in furtherance of their duties at the University's expense and have access to the Head of Governance and Company Secretary, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Head of Governance and Company Secretary are matters for the Board as a whole. The Board has a very diverse membership with good balance across the majority of diversity categories including gender, age, ethnicity and skills expertise.

The effectiveness of the Board and its Committees is regularly reviewed. A full review facilitated by an external body is carried out every three years – the last review was in 2016 – with an internal review carried out in the intervening years. The Board plan to undertake a full review in 2019/20. Trustees have an appraisal meeting with the Chair each year, and the Chair is appraised by the Deputy Chair and Chair of the Human Resources Committee.

Committees

The work of the Board is assisted by seven committees of the Board. All committees have terms of reference and these are regularly reviewed. Committee members and committee chairs are appointed by the Board and membership is reviewed annually. The committees are: Nominations Committee; Audit & Risk Committee; Finance & Investment Committee; Estates & Infrastructure Committee; Human Resources Committee; Remuneration Committee; and Development Committee. Full details of the terms of reference and membership are provided on the University's website. Below is a summary of the work of Nominations Committee, Remuneration Committee and Audit and Risk Committee, being the CUC Code core committees.

Nominations Committee

Appointments to the Board are a matter for the decision of the Board as a whole. The Board has delegated to the Nominations Committee responsibility for the selection and nomination of any new candidate for trusteeship for the Board's consideration, and for making recommendations to the Board on the re-appointment of current Trustees coming to the end of their term of office. The Board is responsible for ensuring that appropriate induction and training is provided to Trustees as required.

The Committee members are independent Trustees. During the year, the Nominations Committee oversaw the recruitment of a new Vice-Chancellor and Chief Executive Officer, involving both staff and students in the process.

The Committee is chaired by Dr Diana Walford who is also Chair of the Board.

Remuneration Committee

The Committee's responsibilities are to determine the remuneration package of the Vice-Chancellor & Chief Executive Officer in line with the remuneration policy agreed by the Board and to approve the remuneration and employment terms of members of the Directorate. A primary objective of the Remuneration Committee is to ensure that there is a formal and transparent procedure for developing a remuneration policy, which ensures that individuals are sufficiently compensated and are appropriately incentivised to encourage enhanced performance. The Remuneration Committee aims to ensure that overall levels of remuneration (including salary, benefits and bonuses) are sufficient to attract, retain and motivate staff and that they are compared to sector benchmarks. The Committee members are independent Trustees and have appropriate experience to carry out the functions of the Committee. When carrying out their duties, as with all Board and committee discussions, all considerations are made in the best interests of the University and the safeguarding of the University's funds.

The Committee has co-opted Jacqueline Minor CBE to the Committee, as an external independent member, to bring a wider perspective to the Committee's deliberations.

The Vice-Chancellor & Chief Executive Officer is not a member of the Committee but attends meetings to make recommendations on the remuneration of other members of the Directorate. He is not present during discussions of his own remuneration.

The Committee is chaired by Alison Alden, who is also Deputy Chair of the Board.

Audit & Risk Committee

The Committee's purpose is to receive reports so that the Committee can 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, value for money, the reliability and integrity of reports on the financial statements and monitoring the internal and external audit services. The Committee members are all independent Trustees. Senior members of staff and the internal and external auditors are usually present at each meeting.

The Committee met three times in the 2018/19 financial year. The Committee met with both the internal auditors and external auditors without management present and the auditors have unfettered access to the Committee. During the financial year, the Audit & Risk Committee considered the annual accounts and associated papers, internal audit reports (strategy and plan and individual audit reports), external audit reports (external audit 2017/18 audit plan, recommendations and management responses to recommendations), risk management and emerging risks, a value for money report, and reviewed the effectiveness of the internal and external auditors. Following a tender process, the Committee recommended the appointment of PricewaterhouseCoopers as external auditors for the accounting year 2018/19.

The Committee provides assurance to the Board, based on the information presented to it over the course of the year, that the financial statements have been accurately prepared on a going concern basis, and that financial, operational, governance and compliance risks are being adequately managed.

The Committee is chaired by Rosalyn Schofield.

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 Board 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 2019 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.

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 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board.

In addition, the Board has adopted a Board Assurance Framework, which clearly links risks from the Strategic Risk Register to the University's strategy. This identifies relevant controls and sources of assurance such as performance indicators, internal audit and Committee reports.

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. It includes:

- Comprehensive budgeting process 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 budget and forecasts;
- Comprehensive financial regulations, detailing financial controls and procedures, approved by the Board on an annual basis;
- 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 OfS'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 internal auditor provides the Audit & Risk Committee with an annual report on internal audit activity in the University. The report includes the internal auditor's independent opinion on the adequacy and effectiveness of the University's system of risk management, controls and governance processes.

Principal risks and uncertainties

The University has identified several risks which are monitored by the Directorate, the Audit & Risk Committee and the Board. In addition, other Committees of the Board and Senate receive regular reports on risk relating to their specific area.

The main risks identified during the year were:

Risk	Failure to recruit enough students to generate a sustainable surplus	Failure to generate adequate reserves to support capital investment	Failure to achieve progression, continuation and retention targets
Current position	<p>The University has invested in new academic programmes and marketing and recruitment activities to increase student numbers</p> <p>Student recruitment in autumn 2019 achieved budget</p> <p>Both costs and fee levels are being reviewed to ensure that Regent's continues to offer good value for money to</p>	<p>Because the University does not own its own freehold property, it is difficult for it to borrow for long-term major investments in its estate</p> <p>However, reserves are adequate to undertake refurbishments and improvements. During the year, a mezzanine level was added to the Refectory, the Tuke roof</p>	<p>The University carefully monitors progression, continuation and retention rates of its students</p> <p>A Student Retention Strategy is in place with action plans at faculty level</p> <p>The University has invested in technology to improve student data on attendance and interaction with the</p>

Regent's University London

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

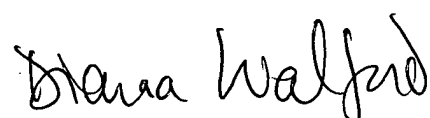
	students, while providing adequate financial returns to invest in the long-term future of the University and the success of our students	<p>was enhanced and the IT infrastructure was developed. All were significant investments</p> <p>The University has adopted a strategy and business plan that should result in increased revenues and reserves to enable it to support capital investment in the medium/long term</p> <p>It is also exploring other options to allow it to invest in its buildings and facilities</p>	<p>University's Virtual Learning Environment (VLE)</p> <p>Student achievement officers are in place to support students who may be at risk of failing to complete their studies</p> <p>Students now have personal tutors to provide advice and support</p> <p>Academic regulations are being reviewed to ensure that they do not unreasonably prevent progression, continuation or retention</p>
Governance & oversight	<p>Finance Director</p> <p>Finance & Investment Committee with regular reports to the Board</p>	<p>Finance Director</p> <p>Finance & Investment Committee</p>	<p>Pro Vice-Chancellor – Student Experience</p> <p>Senate and the Board</p>
Linked KPIs	KPI 6, KPI 8	KPI 7, KPI 9	KPI 1, KPI 2, KPI 5

Review of effectiveness

The Audit & Risk Committee has responsibility for reviewing the effectiveness of the system of internal control. This review 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 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.



Dr Diana Walford
Chair of the Board
11 December 2019

Report on the audit of the financial statements

Opinion

In our opinion, Regent's University London's financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the University's affairs as at 31 July 2019 and of the group's and University's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Consolidated Financial Statements (the "Annual Report"), which comprise: the Consolidated and University Balance Sheet as at 31 July 2019; the Consolidated Statement of Comprehensive Income and Expenditure, the University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, and the Consolidated Statement of Cash Flows for the year then ended; the principal accounting policies; and the notes to the financial statements.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and University's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and University's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the University's activities, students, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or

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

our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report and the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and University and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of trustees' responsibilities set out on page 14, the trustees (who are also the directors of the University for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

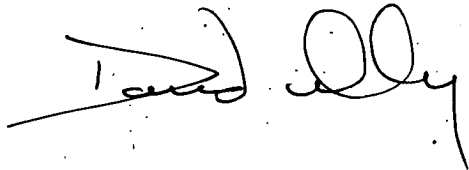
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



*David Wildey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London*

11 December 2019

Pricewaterhouse Coopers LLP is a limited liability partnership registered in England and Wales with registered number OC303525.

Regent's University London

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE for the year ended 31 July 2019

	Notes	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
Income			
Tuition fee income	1	37,978	39,203
Other income	2	6,025	6,417
Investment income	3	294	246
Donations and endowments	4	6	1
Total Income		44,303	45,867
Expenditure			
Staff costs	5	21,621	20,298
Other operating expenses	7	20,416	20,180
Depreciation	10	2,857	2,899
Interest and other finance costs	6	1	34
Total Expenditure		44,895	43,411
(Deficit)/surplus before other gains		(592)	2,456
Gain on investments	8	51	46
(Deficit)/surplus before tax		(541)	2,502
Taxation		-	-
(Deficit)/surplus for the year		(541)	2,502
Total comprehensive (expenditure)/income for the year		(541)	2,502
Represented by:			
Unrestricted comprehensive (expenditure)/income for the year		(541)	2,502

All items of income and expenditure relate to continuing activities.

The accompanying accounting policies and notes 1 to 18 form an integral part of these financial statements.

Regent's University London

UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE for the year ended 31 July 2019

	Notes	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
Income			
Tuition fees	1	37,978	39,203
Other income	2	4,942	5,238
Investment income	3	290	245
Donations and endowments	4	6	1
Total Income		43,216	44,687
Expenditure			
Staff costs	5	21,330	20,068
Other operating expenses	7	19,817	19,541
Depreciation	10	2,857	2,899
Interest and other finance costs	6	1	34
Total Expenditure		44,005	42,542
(Deficit)/surplus before other gains		(789)	2,145
Gain on investments	8	51	46
(Deficit)/surplus before tax		(738)	2,191
Taxation		-	-
(Deficit)/surplus for the year		(738)	2,191
Total comprehensive (expenditure)/income for the year		(738)	2,191
Represented by:			
Unrestricted comprehensive (expenditure)/income for the year		(738)	2,191

All items of income and expenditure relate to continuing activities.

The accompanying accounting policies and notes 1 to 18 form an integral part of these financial statements.

Regent's University London

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES for the year ended 31 July 2019

Consolidated	Income and expenditure account Unrestricted £000
Balance at 1 August 2017	19,036
(*) Restatement of opening position	(1,349)
Total comprehensive income for the year	2,502
Balance at 1 August 2018	20,189
Total comprehensive expenditure for the year	(541)
Balance at 31 July 2019	19,648

University	Income and expenditure account Unrestricted £000
Balance at 1 August 2017	19,136
(*) Restatement of opening position	(1,349)
Total comprehensive income for the year	2,191
Balance at 1 August 2018	19,978
Total comprehensive expenditure for the year	(738)
Balance at 31 July 2019	19,240

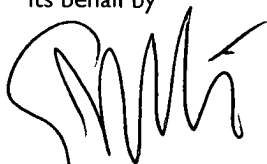
(*) The adjustment in opening reserves is due to a change in accounting policy. The release of credit balances to income has been changed from two to six years which reflects the expiry period for legal entitlement to refunds.

The accompanying accounting policies and notes 1 to 18 form an integral part of these financial statements.

Regent's University London
CONSOLIDATED AND UNIVERSITY BALANCE SHEET
31 July 2019

	Notes	Group 31 July 2019 £000	Group 31 July 2018 Restated £000	University 31 July 2019 £000	University 31 July 2018 Restated £000
Fixed Assets					
Intangible assets – negative goodwill	9	(181)	(231)	-	-
Tangible assets	10	13,389	11,292	13,389	11,292
Investments	11	6,950	6,694	6,950	6,694
		20,158	17,755	20,339	17,986
Current Assets					
Stock		53	61	24	21
Debtors	12	3,262	3,284	3,465	3,435
Short term deposits		3,001	1	3,001	1
Cash at bank and in hand		2,088	8,084	659	6,873
		8,404	11,430	7,149	10,330
Current Liabilities					
Creditors: amounts falling due within one year	13	(8,914)	(8,996)	(8,248)	(8,338)
Net Current (Liabilities)/Assets		(510)	2,434	(1,099)	1,992
TOTAL NET ASSETS					
		19,648	20,189	19,240	19,978
Unrestricted reserves					
Income and expenditure reserve		19,648	20,189	19,240	19,978
TOTAL RESERVES		19,648	20,189	19,240	19,978

The financial statements on pages 24 to 41 were approved by the Board on 11 December 2019 and signed on its behalf by



Prof Geoff Smith
Trustee



Dr Diana Walford
Trustee

Company number 1791760

The Creditors: amounts falling due within one year for the year ended 31 July 2018 has been restated to reflect a change in accounting policy (see note 13).

The accompanying accounting policies and notes 1 to 18 form an integral part of these financial statements.

Regent's University London
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 July 2019

	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
Cash flow from operating activities		
(Deficit)/surplus for the year	(541)	2,502
Adjustment for non-cash items		
Depreciation	2,857	2,899
Amortisation of intangibles	(50)	(49)
Gain on investments	(51)	(46)
Decrease/(increase) in stock	8	(61)
Decrease in debtors	22	452
Increase/(decrease) in creditors	4	(1,043)
Adjustment for investing or financing activities		
Investment income	(294)	(246)
Interest charged on finance leases	1	34
Investment fund management charges	16	12
Net cash inflow from operating activities	1,972	4,454
Cash flow from investing activities		
Proceeds from sales of investments	792	224
Payments to acquire tangible fixed assets	(4,954)	(2,200)
Payments to acquire investments	(1,013)	(435)
Interest received	73	35
Dividends received	221	211
Net Cash Outflow from investing activities	(4,881)	(2,165)
Cash flow from financing activities		
Interest paid on finance leases	(1)	(34)
Capital element of finance lease repayments	(86)	(314)
Net Cash Outflow from financing activities	(87)	(348)
(Decrease)/ increase in cash and cash equivalents in the year	(2,996)	1,941
Cash and cash equivalents at beginning of the year	8,085	6,144
Cash and cash equivalents at end of the year	5,089	8,085
Cash and cash equivalents comprise:		
Cash at bank and in hand	2,088	8,084
Short term deposits	3,001	1
	5,089	8,085

The accompanying accounting policies and notes 1 to 18 form an integral part of these financial statements.

Regent's University London

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2019

Basis of preparation

Regent's University London is a company limited by guarantee incorporated in the United Kingdom and registered in England & Wales under the Companies Act 2006.

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2014 and in accordance with Financial Reporting Standard FRS 102. They have also been prepared in accordance with the Companies Act 2006. The University is in a transition period and will apply the OfS accounts direction and new SORP from the year ending 31 July 2020.

The University is a public benefit entity and therefore has applied the relevant public benefit requirements of the applicable accounting standards.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies.

The Board considers that the University has adequate resources to continue in operational existence for the foreseeable future and therefore the financial statements have been continued to be prepared on going concern basis.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosures exemption available in FRS102:

- No cash flow statement has been presented for the parent company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included on the totals for the group as a whole.

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 2019 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

Income recognition

Tuition fees, and other similar income, are recognised evenly over the period of the relevant course. Bursaries and scholarships are accounted for gross as expenditure and not deducted from 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.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Regent's University London

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2019

Donations

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

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 of maximum 10 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.

Tangible Fixed Assets and Depreciation

Tangible fixed assets costing more than £5,000 individually or in total as part of a project 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
Computer equipment	-	10% - 20% per annum
Plant and machinery	-	20% - 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. Gains and losses on re-measurement are recognised in surplus or deficit for the period.

Pensions

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

Foreign Currencies

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

Regent's University London

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2019

Taxation Status

Regent's University London is a registered 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 surplus or deficit 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 reduces the amounts payable to the lessor.

Holiday pay accrual

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

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Trustees have made the following judgements:

- * Determine whether there are indicators of impairment of the group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- * Tangible fixed assets (see note 10)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- * Trade debtors (see note 12)

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2019

1. Tuition Fee Income

	Group Year ended 31 July 2019 £000	Group Year ended 31 July 2018 £000	University Year ended 31 July 2019 £000	University Year ended 31 July 2018 £000
Tuition and registration fees	37,975	39,207	37,975	39,207
Exchange gain/(loss)	3	(4)	3	(4)
	37,978	39,203	37,978	39,203

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 2019 £000	Group Year ended 31 July 2018 £000	University Year ended 31 July 2019 £000	University Year ended 31 July 2018 £000
Residences & Catering	3,439	3,644	3,441	3,644
Rental and Room Hire	13	298	262	523
Central services	-	-	685	599
Trips & Excursions	15	56	15	56
Car Park	61	74	62	74
Conferencing	2,020	2,003	-	-
Other	477	342	477	342
	6,025	6,417	4,942	5,238

3. Investment Income

	Group Year ended 31 July 2019 £000	Group Year ended 31 July 2018 £000	University Year ended 31 July 2019 £000	University Year ended 31 July 2018 £000
Bank interest receivable	73	35	69	34
Dividend income	221	211	221	211
	294	246	290	245

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2019

4. Donations and endowments

	Group Year ended 31 July 2019 £000	Group Year ended 31 July 2018 £000	University Year ended 31 July 2019 £000	University Year ended 31 July 2018 £000
Unrestricted donations	6	1	6	1
	<u>6</u>	<u>1</u>	<u>6</u>	<u>1</u>

5. Employees

	Group Year ended 31 July 2019 No.	Group Year ended 31 July 2018 No.	University Year ended 31 July 2019 No.	University Year ended 31 July 2018 No.
The average number of persons (excluding Trustees) employed during the period was:				
Management and administration	244	230	237	225
Academic	172	187	172	187
Total average full time equivalent	<u>416</u>	<u>417</u>	<u>409</u>	<u>412</u>

	Group Year ended 31 July 2019 £000	Group Year ended 31 July 2018 £000	University Year ended 31 July 2019 £000	University Year ended 31 July 2018 £000
Staff costs for the above persons:				
Wages and salaries	17,974	16,774	17,734	16,584
Social security costs	1,831	1,715	1,804	1,694
Other pension costs	1,743	1,742	1,720	1,724
Apprenticeship levy	73	67	72	66
	<u>21,621</u>	<u>20,298</u>	<u>21,330</u>	<u>20,068</u>

The above includes £12,000 (2018: £68,000) costs for redundancy.

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2019

5. Employees (continued)

	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
Key Management Personnel remuneration:		
Trustees' remuneration	612	445
Directorates' remuneration *	1,025	898
Total compensation paid to Key Management Personnel	<u>1,637</u>	<u>1,343</u>

* excludes the Vice-Chancellor & CEO who is also a Trustee

Ten Key Management Personnel including four staff Trustees were remunerated in the period (2018: Eleven Key Management Personnel including five staff Trustees). Remuneration to Trustees was in respect of their substantive role as employees of the University. No remuneration was received in their role as Trustees. Eight lay Trustees were reimbursed for travel and subsistence expenses for attending meetings during the period (2018: Six Trustees). The aggregate amount reimbursed was £13,328 (2018: £6,659).

The total amount payable to the highest paid Trustee in his capacity as Vice-Chancellor & CEO was £420,000 (2018: £266,000). This included salary, bonus and leave entitlement of £289,589 plus a termination payment of £129,900. Company pension contributions of £37,000 (2018: £26,000) were made to the personal pension scheme of the highest paid Trustee including £13,000 in respect of the termination payment. The Vice-Chancellor & CEO had use of a residential property located on the University's site. This non-taxable benefit had a value of £26,400 in 2018/19.

	Group Year ended 31 July 2019 No.	Group Year ended 31 July 2018 No.	University Year ended 31 July 2019 No.	University Year ended 31 July 2018 No.
The number of employees with remuneration excluding pension costs of £60,000 or more during the period for Regent's University London and its subsidiaries were:				
£60,000 – £69,999	19	14	18	13
£70,000 – £79,999	7	6	7	6
£80,000 – £89,999	4	3	4	3
£90,000 – £99,999	-	1	-	1
£100,000 – £109,999	1	-	1	-
£110,000 – £119,999	1	-	1	-
£130,000 – £139,999	1	3	1	3
£140,000 – £149,999	1	-	1	-
£150,000 – £159,999	-	1	-	1
£160,000 – £169,999	3	1	3	1
£190,000 – £199,999	1	-	1	-
£260,000 – £269,999	-	1	-	1
£420,000 – £429,999	1	-	1	-
	<u>39</u>	<u>30</u>	<u>38</u>	<u>29</u>

Pension costs relating to 39 (2018: 30) employees earning more than £60,000 during the period were £301,425 (2018: £245,431).

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2019

5. Employees (continued)

The disclosure requirements as per the OfS's accounts direction and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 in respect of the Vice-Chancellor & CEO's remuneration will apply from the year ending 31 July 2020.

6. Interest and other finance costs

	Group Year ended 31 July 2019 £000	Group Year ended 31 July 2018 £000	University Year ended 31 July 2019 £000	University Year ended 31 July 2018 £000
Finance lease charges	1	34	1	34
	1	34	1	34

7. Analysis of other operating expenses

	Group Year ended 31 July 2019 £000	Group Year ended 31 July 2018 £000	University Year ended 31 July 2019 £000	University Year ended 31 July 2018 £000
Academic departments	850	830	999	876
Academic support	1,153	1,057	1,162	1,072
Student services	3,060	3,047	3,221	3,192
Governance	192	103	203	110
Central services	3,640	3,678	3,733	3,772
Estates	8,542	8,399	8,544	8,400
ITS and MIS	1,510	1,413	1,511	1,414
Bad debts	(127)	37	(127)	37
Conferencing	1,075	997	-	-
Goodwill amortisation	(50)	(49)	-	-
Bursaries and scholarships	571	668	571	668
	20,416	20,180	19,817	19,541

212 scholarships and bursaries were granted to individuals in the period ended 31 July 2019 (2018: 248).

Other operating expenses include:

Operating lease rental – land and buildings	4,447	4,417	4,447	4,417
Auditors' remuneration (including VAT)				
- Audit services – University	62	62	62	62
- subsidiary companies	6	5	-	-
- Other services – taxation compliance	-	3	-	-
- Other services – US loans audit	6	6	3	6
Internal audit	35	35	35	35
Depreciation on assets held under finance lease	-	118	-	118

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2019

8. Gain on investments

	Group Year ended 31 July 2019 £000	Group Year ended 31 July 2018 £000	University Year ended 31 July 2019 £000	University Year ended 31 July 2018 £000
Realised gain on investments	63	30	63	30
(Decrease)/increase in market value of investments	(12)	16	(12)	16
	51	46	51	46

9. Intangible Fixed Assets

GROUP	Goodwill £000
Cost	
1 August 2018	(494)
Disposals	-
31 July 2019	(494)
Amortisation	
1 August 2018	(263)
Charged in the year	(50)
31 July 2018	(313)
Net book value	
31 July 2019	(181)
31 July 2018	(231)

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2019

10. 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 2018	26,960	8,290	1,671	7,818	145	44,884
Additions	3,239	1,502	38	175	-	4,954
31 July 2019	30,199	9,792	1,709	7,993	145	49,838
Depreciation						
1 August 2018	17,567	6,912	1,564	7,404	145	33,592
Charged in the year	1,895	602	69	291	-	2,857
31 July 2019	19,462	7,514	1,633	7,695	145	36,449
Net book value						
31 July 2019	10,737	2,278	76	298	-	13,389
31 July 2018	9,393	1,378	107	414	-	11,292

UNIVERSITY	Short leasehold improvements £000	Computer equipment £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost						
1 August 2018	25,907	8,221	1,688	7,271	145	43,232
Additions	3,239	1,502	38	175	-	4,954
31 July 2019	29,146	9,723	1,726	7,446	145	48,186
Depreciation						
1 August 2018	16,512	6,868	1,581	6,834	145	31,940
Charged in the year	1,895	602	69	291	-	2,857
31 July 2019	18,407	7,470	1,650	7,125	145	34,797
Net book value						
31 July 2019	10,739	2,253	76	321	-	13,389
31 July 2018	9,395	1,353	107	437	-	11,292

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2019

11. Fixed Asset Investments

	Group 31 July 2019 £000	Group 31 July 2018 £000	University 31 July 2019 £000	University 31 July 2018 £000
Listed investments and cash deposits	6,945	6,689	6,945	6,689
Investment in shares	5	5	5	5
	6,950	6,694	6,950	6,694

GROUP AND UNIVERSITY

	£000
Quoted investments and cash deposits:	
Market value at 1 August 2018	6,689
Less: Disposals at original cost (proceeds £792,439; gain £63,596)	(729)
Management fees	(16)
Add : Acquisitions at cost	1,013
Loss on revaluation at 31 July 2019	(12)
Market value at 31 July 2019	6,945

	Quoted investments £000	Cash deposits £000	Total £000
Investment assets in the UK	6,382	23	6,405
Investment assets outside the UK	540	-	540
31 July 2019	6,922	23	6,945
Market value:			
31 July 2018	6,581	108	6,689
Historic cost of the above investments was:			
31 July 2019	6,101	23	6,124
31 July 2018	5,748	108	5,856

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

Regent's University London

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2019

11. Fixed Asset Investments (continued)

Investments in individual entities held at 31 July 2019 which are over 5% of portfolio by value are:

	£000
Barings Targeted Return Fund	3,436
Schroder UK Corporate Bond Fund	432

All investments are held indirectly through common investment funds.

Investment in shares:

	31 July 2019 £	31 July 2018 £
Groupement European D'Interet Economique Groupe EBSI (GEIE)	4,676	4,676

UNIVERSITY	31 July 2019 £	31 July 2018 £
Subsidiary undertakings	15	15

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%	Dormant
Regent's Conferences & Events Ltd	2 ordinary £1 shares	100%	Provision of conference facilities
European Business School (London) Limited	10 ordinary £1 shares	100%	Dormant
Regents Business School London Limited	Limited by guarantee	100%	Dormant

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2019

12. Debtors: Amounts receivable within one year

	Group 31 July 2019 £000	Group 31 July 2018 £000	University 31 July 2019 £000	University 31 July 2018 £000
Trade debtors	1,120	994	757	485
Amounts due from group undertakings	-	-	529	615
Other debtors	67	83	166	145
Prepayments and accrued income	2,075	2,207	2,013	2,190
	3,262	3,284	3,465	3,435

13. Creditors: Amounts falling due within one year

	Group 31 July 2019 £000	Group 31 July 2018 <i>Restated</i> £000	University 31 July 2019 £000	University 31 July 2018 <i>Restated</i> £000
Trade creditors	686	892	663	868
Other taxation and social security costs	596	562	596	475
Other creditors	2,273	2,214	2,199	2,183
Obligations under finance lease contracts	-	86	-	86
Accruals and deferred income	5,359	5,242	4,790	4,726
	8,914	8,996	8,248	8,338

The balance for other creditors as at 31 July 2018 has been restated due to a change in accounting policy. The release of credit balances to income has been changed from two to six years which reflects the expiry period for legal entitlement to refunds.

Regent's University London

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2019

14. Commitments and Contingent Liabilities

- i) At 31 July 2019 the group had minimum lease payments under non-cancellable operating leases as set out below:

	31 July 2019 £000	31 July 2018 £000
Not later than 1 year	4,471	4,258
Later than 1 year and not later than 5 years	17,883	17,030
Later than 5 years	72,091	73,646
Total	<u>94,445</u>	<u>94,934</u>

- 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, there was VAT recoverable recorded amounting to £2,663 (2018: liability £87,328).

15. Financial instruments

	Group 31 July 2019 £000	Group 31 July 2018 £000	University 31 July 2019 £000	University 31 July 2018 £000
Financial assets:				
Financial assets at fair value	<u>6,945</u>	<u>6,689</u>	<u>6,945</u>	<u>6,689</u>

Financial assets measured at fair value comprise fixed asset investments in quoted investments and cash deposits realised from the sale of quoted investments pending reinvestment.

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.

17. Related party transactions

There is no ultimate controlling party of Regent's University London. Service contract subscription amounting to £32,000 (2018: £32,000) was paid to Northumbria University during the year. A trustee of Regent's University London is also a Trustee of Northumbria University. All transactions were conducted on an arm's length basis on normal trading terms.

18. Pensions

The group contributes a defined amount to specified personal policies taken out by eligible employees. Contributions are charged as incurred. There were outstanding contributions in relation to the group and the charitable company amounting to £161,579 as at the balance sheet date (31 July 2018: £147,824). Pension costs during the period were £1,743,000 (31 July 2018: £1,742,000).