

**The Inner Circle Educational Trust
(formerly Regent's University London)**

(The company's name changed from
Regent's University London on 29 September 2020)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 July 2020

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COMPANIES HOUSE

Charity No. 291583

Company Registration No. 01791760

The Inner Circle Educational Trust (formerly Regent's University London)

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The Inner Circle Educational Trust (formerly Regent's University London)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Dr Diana Walford CBE –Chair* 2, 3, 4, 5, 6

Alison Alden OBE – Deputy Chair* 2, 3, 4, 5, 6

David Barker ¹ – resigned 29 October 2020

David Barnes ¹

Kenneth Batty ^{3, 4, 5}

Carol Burns ^{3, 5}

Rachel Clarke ^{3, 6}

Sir Graeme Davies ^{3, 5}

Marguerite Dennis ²

Tetiana Doronina – Student Union President – resigned 31 May 2020

Matthias Feist– Professional Staff Trustee ^{5, 6} - resigned 26 October 2020

Elizabeth Jenkins ²

Mary Kerr ^{2, 6}

Dominic Laffy - Academic Staff Trustee ²

Dominic O'Rourke ²

Martin Potter ²

Rosalyn Schofield ¹

Pascal Senn – Student Union President - appointed 1 June 2020 ^{2, 6}

Vimmi Singh ^{2, 4, 6}

Professor Geoff Smith– Vice-Chancellor & CEO of Regent's University London- appointed 12 August 2019 ^{2, 3, 5, 6}

¹ Member of the Audit and Risk Committee at 31 July 2020

² Member of the Finance & Infrastructure Committee at 31 July 2020

³ Member of the Human Resources Committee at 31 July 2020

⁴ Member of the Remuneration Committee at 31 July 2020

⁵ Member of the Nominations Committee at 31 July 2020

⁶ Member of the Development Committee at 31 July 2020

*The 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 to 29 September 2020

Professor Geoff Smith

Secretary

Richard Reger FCIS

Registered Office and Principal Address

Inner Circle
Regent's Park
London
NW1 4NS

External Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

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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

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STRATEGIC REPORT

University Strategy

Up until the transfer of the university business on 29 September 2020, the Inner Circle Educational Trust was known as Regent's University London. In the year ended 31 July 2020, the University was focussed on delivering the Strategic Plan 2019-2024 which was approved at a meeting of the Board on 17 July 2019. The strategy was framed by two central themes of 'Simplification' and 'Differentiation'. Organisational efficiencies in structures, processes and practices will be delivered through simplification. The University sought to differentiate itself in a crowded higher education sector through the highly personalised experience offered to students.

The Strategy contained 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.

This report summarises the University's activities in the year ended 31 July 2020. This report is prepared in accordance with the recommendations of the Statement of Recommended Practice – Accounting for Further and Higher Education (2019) and complies with applicable law.

The Trustees are in the process of establishing a new strategy for The Inner Circle Educational Trust aligned to its revised Charitable Objects, the advancement of education for the public benefit. It is likely that the new strategy will include financial support for the benefit of students.

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Performance Review

The year ended 31 July 2020 was severely impacted in both financial and operational terms by Covid-19. The Government enforced lock-down from March 2020 resulted in the University moving the provision of teaching on-line and almost all teaching and professional staff transitioned to remote working. Whilst this was a successful transition, the financial implications for the University were significant in the year ended 31 July 2020.

Tuition fees held up well as the spring 2020 term had commenced when the lock-down was implemented. However, revenues were lost in ancillary services including accommodation and catering. The lucrative summer season for the conferencing and events business was lost and summer groups for both the English Language Centre and study abroad were lost. In addition, the disposal of the Marylebone estate planned for the end of June 2020 fell-through. The creative areas predominantly housed at Marylebone have been successfully moved to the Park site in anticipation of the disposal and has resulted in the recognition of an onerous lease provision. This provision will un-wind over the period up until the estate is disposed or the break-clause is executed in 2023.

The combined impact of the above resulted in a loss of £7.3m in the year ended 31 July 2020 (profit of £0.5m 2018/19), the budgeted loss for 2019/20 was £1.0m.

The significant losses in 2019/20 resulting from Covid-19 and the anticipated impact on student recruitment in the 2020/21 academic year and beyond increased the likelihood of insolvency in the short-term. The Trustees therefore filed a Serious Incident Report ("SIR") with the Charity Commission on 2nd July 2020 in relation to the financial position. The Office for Students ('OfS') was also notified as liquidity was anticipated to fall below 30 cash days by 31 July 2020.

As noted in the SIR, the Trustees considered a transfer of the assets and undertaking of the University to a private provider of higher education services, (Galileo Global Education UK Limited (company number 8100095) ("Galileo")), in return for Galileo assuming the liabilities of the University.

The Trustees considered the options available to them in detail supported by their professional advisors and the Board took a unanimous decision to proceed with the transfer. The Board considered their duty to promote the success of the company under Section 172 of the Companies Act 2006. Central to the Trustee's consideration of options were the consequences for all stakeholders, but first and foremost the beneficiaries of the charity – the students. The potential impact of an insolvent liquidation on the University's employees was also a key consideration alongside the Trustee's responsibilities to suppliers and creditors.

The options considered by Trustees in May 2020 included:

- Retaining the current business model but seeking to conserve cash and reduce costs through suspending all capital expenditure, suspending all non-essential contracts, suspending all non-essential staff recruitment, negotiating rent deferrals with its landlords, extensive use of the Coronavirus Job Retention Scheme and agreeing a £3m overdraft facility.
- Changing the business model – absent the adverse cashflow effects of the pandemic, the University's current business model was a viable one, although more costs could be taken out of the institution. This course of action had already commenced before Covid-19 and impacted on the University's finances.
- Increasing borrowing through Government-sponsored Covid-19 related loans, such as Coronavirus Business Interruption Loan Scheme ('CBILS') or other sources of lending.
- Adopting a partnering model with another institution that would involve receiving loan finance.
- Merging with another higher education entity although (i) the University's constitution as a private provider (ii) the financial and operational difficulties faced by other providers in the sector due to Covid-19 causing significant demands on management time and resource; and (iii) a concern about sharing information with competitors made such an option unlikely to be practically deliverable in the required timetable and, hence, this option was not pursued.
- Overseeing a transfer or sale of the assets and undertaking to a suitable provider

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Following advice, discussions with the University's bankers and investigating the potential for securing and servicing a CBILS loan (which became clear would not solve the liquidity issue on its own), the Trustees agreed in early June 2020 that the only potential option available to avoid insolvency, would be via a third party. Discussions with other parties regarding a partnering model were explored under a tight timescale. The Trustees had detailed discussions with several parties, including two major US higher education institutions regarding a loan and collaboration agreement but the parties were not able to reach a satisfactory arrangement in the best interests of the University. Following exploration of this model, no viable option was identified which retained Regent's as a stand-alone charity.

The Board concluded that the transfer of the assets and undertaking to Galileo was in the best interests of the University and, in particular, the students for the following reasons:

- This was the best (and only) option for the continuity of education for current and future students as Regent's has exhausted all other options for operating the University directly;
- Education will continue to be advanced at the University and staff will remain employed;
- The establishment of a bursary fund would enable the charity to continue to exist, after transfer of its university assets and liabilities to the new owner and to continue to deliver to its charitable objects;
- Without action, in short order the OfS may have sought to restrict the ability to recruit students or otherwise limit its ability to operate. This would further compound the difficulties of continuing to operate on a stand-alone basis; and
- It was in the interests of the University's creditors against what would otherwise be an insolvent liquidation.

Legal advice was obtained in relation to their powers to enter into the transaction as set out in the Articles of Association and following consultation with the Charities Commission an order was provided under section 105 of the Charities Act 2011 authorising the University to enter into an agreement.

Other key stakeholders such as the OfS, UKVI, the DfE, SLC and the US Department of Education were consulted and kept abreast of developments throughout the process.

The Board signed the Transfer Agreement on 7 August 2020 and completion of the transfer occurred on 29 September 2020. The first tranche of £1m was paid to the Inner Circle Educational Trust on 28 October 2020.

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STRATEGIC REPORT

Financial Activities and Results

Financial Highlights

RESULTS, CASHFLOWS AND RESERVES	Year ended	Year ended
	31 July 2020	31 July 2019
	£'000s	£'000s
Total Income	41,913	44,303
Total Expenditure	48,419	44,895
Deficit Before Other Gains/(Losses)	(6,506)	(592)
Deficit Before Taxation	(7,306)	(541)
Cash Flow (used in)/generated from Operating Activities (After Taxation)	(758)	1,972
Fixed Assets	16,564	20,158
Net Current Liabilities	(449)	(510)
Total Assets Less Current Liabilities	12,342	19,648
Total Reserves	12,342	19,648

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 Ltd all the subsidiary companies are dormant or have ceased to trade.

Results for the Period

The group's total income for the year was £41.9m compared with £44.3m for the year ended 31 July 2019. The impact of Covid-19 was the main driver in the reduction in income. Tuition fees were £0.4m (1%) lower than prior year because most of the spring revenue was invoiced before the lock-down period started in March 2020. Summer term students also continued their studies and whilst numbers for the summer term were small, a high proportion continued rather than deferring.

Non-teaching income streams were more significantly impacted by Covid-19. Residences and catering income was £1.0m (29%) lower than 2018/19 as students left campus in March with refunds or credit notes being issued for students who left their accommodation early. Conferencing income fell from £2.0m in 2018/19 to £1.1m in 2019/20 and profits fell substantially with the total loss of both the lucrative summer season as well as regular clients using the campus outside of scheduled teaching time. Other income was down £0.3m on prior year from lower catering and residences income arising from reduced student activity in second half of the year. The University made best use of the Coronavirus Job Retention Scheme furloughing more than 100 employees at peak levels. This resulted in grant income of £0.4m in the year ended 31 July 2020.

Pay costs as a percentage of income increased to 50.8% in 2019/20 from 48.8% in 2018/19. However, the percentage movement was due to the Covid-19 revenue shortfall and not pay or staff number increases. The full-time equivalent number of staff fell from 416 in 2018/19 to 411 in 2019/20. Pay costs of £21.3m were 1.4% lower than the prior year. The recruitment freeze introduced in March 2020 had limited impact as staff attrition rates fell as Covid-19 impacted on the recruitment market.

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Non pay costs increased with provisions made for onerous lease and dilapidations costs totalling £3.5m and asset impairment £1.7m all relating to Marylebone properties as part of estates costs. Legal and professional costs of £0.3m were incurred in relation to the acquisition. Higher bad debt provision of £0.2m was made for spring debt, catering costs fell with reduced student activity on campus in the second half of the year and conferencing costs fell by £0.8m with lower activity levels from loss of summer activity. As at 31 July 2020, the total reserves amounted to £12.3m (31 July 2019: £19.6m).

Bursaries and scholarships of £0.5m (2018/2019: £0.6m) were awarded to students based on academic merit and financial need. The University financially supported students impacted negatively by Covid-19 through additional bursaries as part of the 'Regent's Promise' initiative.

Cash Flow

The consolidated cash flow statement shows there was a decrease in cash for the year of £2.0m (2018/2019: decrease of £3.0m). The University's net cash outflow from operating activities was £0.8m (2018/19: inflow of £2.0m). In relation to the large deficit for the year, the relatively low cash outflow from operating activities is due to the provision for the onerous lease and dilapidations in Marylebone (£3.5m) and asset impairment linked to the same properties (£1.7m). Cash outflows linked to capital investment reduced significantly from £5.0m in 2018/19 to £1.1m in 2019/20 as a result of both lower budgeted spend and the capital spend freeze as a reaction to the Covid-19 impact.

Key Performance Indicators

The financial performance of the group was 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 were 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	2019/20	Target 2023/24	Source
KPI 1	Student success, engagement & employability	Student Satisfaction with quality of their course	%	85.6%	81.9%	81.3%	90%	Student survey (NSS)
KPI 2	Staff engagement	Staff survey engagement index	%	67%	N/a – no survey	70%	85%	Staff survey
KPI 3	Financially sustainable	Student numbers (FTE)	FTE	2,503	2,309	2,242	2,694	HESA FTE definition
KPI 4	Personal/ small feel	Student to academic staff ratio	FTEs	13.4	13.4	12.8	<15:1	Jigsaw and MIS teams
KPI 5	Sustainability	Surplus	%	5.4%	-1.2%	-17.4%	6.8%	Audited statutory accounts
KPI 6	Sustainability	Reserves	£m	£20.2	£19.6	£12.3	£27.8	5 year forecast and audited statutory accounts

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Reserves and Strategic Risks

It is the aim of the Trustees to manage the financial resources of the charity to permit it to operate as a going concern. The Trustees of the charity recognise that they have a responsibility to manage the risks to which the activities of the charity could be exposed. They actively review the major risks which the charity faces on a regular basis and believe that the maintenance of reserves, combined with the annual review of risk and the controls over key financial systems will provide sufficient resources in the event of adverse conditions in respect of the charity's current activities.

Covid-19 was recognised as a potential risk but the unprecedented speed and scale of the financial impact was not anticipated. The high proportion of international students and relatively low level of liquid reserves resulted in a significant risk to going concern.

To mitigate against the risk of failure and market exit, the Trustees embarked on a process of evaluation of the available options to determine a course of action which was in the best interests of the charity's beneficiaries, the staff and wider stakeholders.

As described, this process resulted in the transfer of the charity's assets and undertakings as a University to Galileo on 29 September 2020.

All the reserves of the University are unrestricted funds. At 31 July 2020 they amounted to £12.0m (31 July 2019: £19.2m) but only £2.2m (31 July 2019: £5.9m) of this is freely available because the balance is invested in fixed assets. Total group reserves were £12.3m at 31 July 2020 (31 July 2019: £19.6m).

Investment Policy and Results

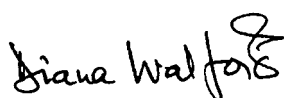
The charity's investment policy permits cash deposits with a range of larger banks and financial institutions. The Trustees' investment powers are governed by the Articles of Association. The Trustees appointed joint fund managers (Cazenove Capital Management and Barings Asset Management) to invest funds 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 2020, most of the investments were linked to the stock and bond markets and the performance of the funds was monitored on a regular basis.

As at 31 July 2020 the value of the investments amounted to £6.7m (31 July 2019: £7.0m). Due to the impending change in ownership, and the desire of Galileo to de-risk the valuation of investments, notice was given to liquidate the investments on 31 July 2020.


Outlook

The outlook for UK higher education is challenging and uncertain particularly for international student recruitment in the UK. It is unclear how higher education will change as a result of Covid-19. Following the transfer of assets and undertakings of the University, the charity will develop a strategy for the use of funds available following the transfer which are anticipated to be £2m.

This report was approved by the Board of Trustees on 9 December 2020.



Dr Diana Walford
Trustee



Prof Geoff Smith
Trustee

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TRUSTEES' REPORT

Until the transfer of its university business on 29 September 2020 and its subsequent change of name, the charity, now known as the Inner Circle Educational Trust was known as Regent's University London. The charity was founded in 1984 and is a company limited by guarantee, not having a share capital (company number 1791760). The charity is registered at the Charity Commission under charity number 291583. During the year, the charity operated a university which was a registered English Higher Provider with the Office for Students (OfS) (UKPRN 10003331). It is governed by its Articles of Association.

Up until 29 September 2020, the Board operated as follows: new independent Trustees were recruited through a range of recruitment tools and there was a formal training and an induction process. New Trustees were invited to meet with the Chair and key personnel to discuss the operation and administration of the charity.

The Board of Trustees met formally at least four times a year and had complete responsibility for the stewardship of the charity's assets; its members focused 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.

In the year ended 31 July 2020, 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

During the year, the previous Finance & Investments and Estates & Infrastructure Committees were combined to form the Finance & Infrastructure Committee.

At 31 July 2020, the Board of Trustees comprised 19 Trustees.

Charitable Objects

Up until the transfer of its university business on 29 September 2020, the Objects of the Charity, as set out in the Articles of Association (revised 22 May 2013), were 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. Following the transfer, the Objects of the Charity are the advancement of education for the public benefit.

Board Policy

The Trustees worked to a comprehensive governance framework that was measured against and compliant with the governance code of the Committee of University Chairs.

The Trustees developed and supported the delivery of the University's key strategies linked to a five-year strategic plan. There was an annual cycle whereby the plan was reviewed and revised to reflect changing circumstances and priorities and the plan was 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 included:

- Holding the Directorate to account;
- Financial, compliance, legal and risk stewardship;
- Academic assurance;
- Senior appointments, including the Vice-Chancellor & Chief Executive Officer;

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- Ensuring transparency and accountability; and
- Monitoring the effectiveness of the Board itself.

The University encourages an environment where every opportunity is given for both students and staff to further their knowledge and enrich their lives. Within this, the Trustees gave 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 and What we do

Up until the transfer of its university business, the Charity operated as a leading, independent, not-for-profit, Higher Education Provider, providing a high-quality teaching environment to develop internationally aware, innovative and employable graduates. This was delivered through constant innovation, enhancement and attention to excellence.

University Structure

The University had two faculties to deliver its core business, 'Business and Management' and 'Humanities, Arts and Social Science'. The University also operated the Regent's Institute of Languages and Culture which consolidated the University's languages provision. The faculties incorporated subject based academic communities which owned and managed a portfolio of programmes.

All Programmes had 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 had 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 2020, 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. Regent's Conferences & Events Ltd was acquired on 29 September 2020 by Galileo being allied to the University business.

Companies Act 2006, Section 172

Under Section 172 of the Companies Act 2006, Trustees must act in good faith and promote the success of the company for the benefit of its members as a whole and in doing so have regard to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

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The Trustee's decision to transfer the assets and undertaking to Galileo as summarised on pages 4 and 5 was done so in reference to section 172 of the Companies Act 2006 and with due regard to the potential impact on the wide range of the University's stakeholders. The Trustee's obligations with regard to the environmental impact, employees and suppliers are detailed below and on page 12.

Public Benefit

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

The University delivered teaching and research to a wide range of students. The University was committed to making a meaningful contribution to public benefit and further achieved this through the delivery of a series of outreach programmes. Outreach at Regent's University London constituted activities that go beyond the University's primary function of providing education to its students, and included activities that involved its staff, students, resources, facilities and knowledge. The University's outreach strategy focused on two main areas; widening participation and public engagement.

Widening Participation

Through its widening participation aims, the University was 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 was facilitated primarily through bursaries. Scholarships awarded at Regent's University London were based on merit, for which anyone could apply. Bursaries were aimed at students from financially disadvantaged backgrounds, but academically able. The access and widening participation statement was updated to ensure provision of pastoral care for all those that attend the University within the Outreach programme.

Public Engagement

Students were involved in a number of community-supporting projects. For example, in early 2020, Interior Design students were invited by the Zoological Society of London (ZSL) to develop proposals for a new welcome area and community space in the zoo's education building. The 12-week project asked students to consider community and accessibility requirements and to explore spatial ideas that would enhance the educational experience.

Employment of disabled persons

The University had 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 used a variety of media and different channels of communication to provide staff with information about the University. These included:

- 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;
- The University's intranet; and
- A summary to all staff following each board meeting.

Payment of creditors

The University's policy was 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.

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Environmental impact

The University is committed to improving its environmental performance. The University holds ISO14001 Environmental Management demonstrating a commitment to reducing waste, energy and water consumption. Between 2018/19 and 2019/20 the University improved in all areas.

Aspect	2018/19	2018/19 normalised	2019/20	2019/20 normalised	Progress	Target reduction
Electricity (kWh)	1,898,887	76 kWh/m ²	1,766,557	71 kWh/m ²	7% decrease	6%
Gas (kWh)	2,856,090	114 kWh/m ²	2,502,935	100 kWh/m ²	12% decrease	6%
Scope 1 Emissions from combustion of gas	586 tCO ₂	N/a	514 tCO ₂	N/a	12% decrease	-
Scope 2 Emissions from purchased electricity	626 tCO ₂	N/a	386 tCO ₂	N/a	38% decrease	-
Intensity ratio: tCO ₂ /m ² from scope 1, 2 & 3 market based	0.031	N/a	0.025	N/a	19% decrease	-
Water (m ³)	11,258	2.77m ³ /FTE	8,090	1.99 ³ /FTE	28% decrease	6%
Waste (kg)	185,706	46 kg/FTE	154,130	38 kg/FTE	17% decrease	5%
Waste (recycling rate %)	55%	N/a	67%	N/a	Increase of 12%	63%

The University conducts consistent monitoring of electricity and gas as part of Green Element's energy management system. Half-hourly data provided by suppliers has been used to provide energy consumption figures for this report. Greenhouse gas emissions were calculated according to the Greenhouse Gas Protocol Corporate Greenhouse Gas Accounting and Reporting Standard.

The University's target to reduce greenhouse gas emissions from energy use was 30% by 2020 against the 2015/16 baseline. This target has been achieved with a 43% reduction over this period and since 2016. The University has purchased 100% renewable electricity for all campus supplies. This has been achieved in partnership with Green Element who have advised on several projects to improve environmental control systems. The data from these systems has been used to underpin business cases for capital investment which further enhances the University's environmental performance.

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TRUSTEES' REPORT

Statement of trustees' responsibilities

The Trustees (who were 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.

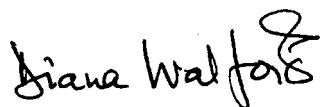
The Trustees are responsible for the maintenance and integrity of the University's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees recognise their responsibility for the academic assurance of the University and monitor the quality of programme delivery.

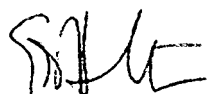
In so far as the Trustees are aware:

- 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 9 December 2020.



Dr Diana Walford
Trustee



Prof Geoff Smith
Trustee

The Inner Circle Educational Trust

(formerly Regent's University London)

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Whilst this statement of Corporate Governance and Internal Control covers the period up to the date of the financial statements, the framework described predominantly relates to the period up until the point of the transfer of the assets and undertaking of the University on 29 September 2020. The ICET Board will revise its corporate governance framework as part of the post-transfer transition process.

The governing body of the charity is the Board of Trustees. The Board is collectively responsible for the long-term success of the charity and is responsible for setting the strategic direction of the charity. The Board has a Chair and Deputy Chair who are independent. The Board ensures that the charity is governed in accordance with its Articles of Association. While operating as a university, the charity complied with the Committee of University Chairs' (CUC) Code of Governance, which is considered to be best practice within the higher education 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 their work as Trustees.

Prior to the transfer of the university business, in addition to the independent Trustees, the Vice-Chancellor & Chief Executive Officer was a staff Trustee (ex officio). Further, there were two elected trustees, one drawn from academic staff and the other from professional services staff. The elected president of the Student Union was also appointed to the Board.

There was 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 were separate.

Formal agendas, papers and reports were 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 charity's expense and have access to the Company Secretary, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Company Secretary are matters for the Board as a whole. The Board has a diverse membership including the majority of diversity categories including gender, age, ethnicity and skills expertise.

The effectiveness of the Board and its Committees is regularly reviewed. The last full review facilitated by an external body was carried out in 2016 – with an internal review carried out in the intervening years. The Board was in the middle of undertaking a full external review in 2019/20, but this was curtailed by Covid-19 and the transfer of the university business to the Galileo Global Education Group. Trustees have an appraisal meeting with the Chair each year, and the Chair is appraised by the Deputy Chair.

Committees

During the year, the work of the Board was assisted by seven committees. Following the transfer of the university business in September, the Committees and their membership are being reviewed. All committees have terms of reference which have been regularly reviewed. Committee members and committee chairs are appointed by the Board and membership is reviewed annually. The committees in place at 31 July were: Nominations Committee; Audit & Risk Committee; Finance & Infrastructure Committee; Human Resources Committee; Remuneration Committee; and Development Committee. During the year, the previous Finance & Investments and Estates & Infrastructure Committees were combined to form the Finance & Infrastructure 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

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STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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 reviewed the membership of the Board and its Committees, but no new Board members were recruited.

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

Remuneration Committee

The Committee's responsibilities were 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 was to ensure that there was 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 aimed to ensure that overall levels of remuneration (including salary, benefits and bonuses) were sufficient to attract, retain and motivate staff and that they were compared to sector benchmarks. The Committee members were independent Trustees with appropriate experience to carry out the functions of the Committee. When carrying out their duties, as with all Board and committee discussions, all considerations were made in the best interests of the charity and the safeguarding of the charity'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 was not a member of the Committee but attended meetings to make recommendations on the remuneration of other members of the Directorate. He was not present during discussions of his own remuneration.

The Committee was chaired by Alison Alden, who is also Deputy Chair of the Board. Since the transfer of the university business the charity has had no staff, so the Remuneration Committee has been disbanded.

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 2019/20 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 2018/19, 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.

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.

The Inner Circle Educational Trust

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STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Internal Control

Scope of responsibility

The Board was 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.

Prior to the transfer of the university business, the Board delegated the day-to-day responsibility to the Vice-Chancellor & Chief Executive Officer for maintaining a sound system of internal control that supported the achievement of the University's policies, aims and objectives whilst safeguarding funds and assets. The Vice-Chancellor & Chief Executive Officer was also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

Following the transfer of the university business in September, the system of internal control is being reviewed and is due to be agreed at the Board meeting to be held on 9 December 2020.

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 for the year ended 31 July 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

Risk Management

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 charity 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 charity.

There exists a clearly defined risk management policy, process and mechanisms for identifying, assessing, monitoring and managing risk. The charity 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.

During the year, the Board regularly reviewed the key risks to which the charity was exposed together with the operating, financial and compliance controls that had 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 charity's significant risks that has been in place for the year ending 31 July 2020 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 adopted a Board Assurance Framework, which clearly links risks from the Strategic Risk Register to the charity'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:

The Inner Circle Educational Trust

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STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

- 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 operated during the year. 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 have been based on this analysis. The analysis of risks and the internal audit plans have been endorsed by the Board on the recommendation of the Audit & Risk Committee.

As a minimum, the internal auditors have provided the Audit & Risk Committee with an annual report on internal audit activity in the charity. The report includes the internal auditors' independent opinion on the adequacy and effectiveness of the charity's system of risk management, controls and governance processes.

Principal risks and uncertainties

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

Prior to the Covid-19 pandemic, the principal risks faced by the charity were:

- 1) Regent's fails to differentiate itself and adapt to meet the expectations of a changing higher education market, leading to a reduction in student demand and enrolment.**

This was being addressed through a new and innovative Hallmark Pedagogy and changes to the academic structure.

- 2) Failure of internal systems and processes to develop and maintain a portfolio of programmes that attracts students and meets their expectations and high standards of academic quality.**

A review of academic programmes had commenced, based on improved data on individual programmes.

- 3) Failure to recruit students to budget leads to unplanned loss of income.**

Until the advent of Covid-19, applications were on budget. Student recruitment was monitored closely through weekly management meetings and meetings of Directorate and the Board.

In response to the Covid-19 pandemic, the University quickly moved to provide teaching on-line with all but a few staff working from home. However, it soon became apparent that Regent's student fee income was at particular risk because of the high proportion of its students from overseas. The Board considered that the impact of the Covid-19 pandemic presented such a risk to the future of the University, that it had to seek external financial support. Its main risk management activity related to securing the financial future of the University; achieving the best outcome for the charity and its students; and ensuring a high-quality on-line experience for students while planning for a safe return to campus in due course.

Following the transfer of the university business in September, the Board has been working to develop a strategy for the future work of the charity. As the activities of the charity are, in the short-term, likely to be limited to the payment of financial support to benefit students, the risk profile of the charity has reduced significantly. As

The Inner Circle Educational Trust

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STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

part of its transition, the Board will be considering the risks relating to its new activities and putting appropriate controls and mitigations in place.

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 charity who have responsibility for the development and maintenance of the internal control framework; and
- Comments made by the charity'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
9 December 2020

Independent auditors' report to the Trustees of The Inner Circle Educational Trust (the "charity")

Report on the audit of the financial statements

Opinion

In our opinion, The Inner Circle Educational Trust's group financial statements and charity financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the charity's affairs as at 31 July 2020 and of the group's and charity's income and expenditure, gains and losses, changes in reserves and 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);
- have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction (OfS 2019.41); 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 Sheets as at 31 July 2020; the Consolidated Statement of Comprehensive Income and Expenditure, the University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statements 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 group 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

We have nothing to report in respect of the following matters in relation to which 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 charity'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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and charity's ability to continue as a going concern.

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 or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the Trustees of The Inner Circle Educational Trust (the "charity")

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify 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.

With respect to the Trustees' Report and Strategic Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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.

Trustees' Report and Strategic 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 year ended 31 July 2020 is consistent with the financial statements and have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and charity and their environment obtained in the course of the audit, we did not identify any material misstatements in the Trustees' Report and the Strategic Report.

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 13, the Trustees (who are also the directors of the charity 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 charity'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 charity 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 Trustees of The Inner Circle Educational Trust, 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

Independent auditors' report to the Trustees of The Inner Circle Educational Trust (the "charity")

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

Opinions on other matters prescribed in the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion, in all material respects:

- funds from whatever source administered by the charity for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;

Under the Office for Students' Accounts Direction, we are required to report to you, if we have anything to report in respect of the following matter:

- The charity's grant and fee income, as disclosed in note 1 to the financial statements, has been materially misstated.

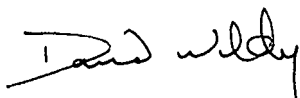
We have no matters to report arising from this responsibility.

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 charity, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the charity 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
9 December 2020

The Inner Circle Educational Trust
(formerly Regent's University London)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
for the year ended 31 July 2020

	Notes	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
Income			
Tuition fee income	1	37,548	37,978
Other income	2	4,097	6,025
Investment income	3	258	294
Donations and endowments	4	10	6
Total Income		41,913	44,303
Expenditure			
Staff costs	5	21,284	21,621
Other operating expenses	7	24,153	20,416
Depreciation	10	2,969	2,857
Interest and other finance costs	6	13	1
Total Expenditure		48,419	44,895
Deficit before other gains		(6,506)	(592)
(Loss)/gain on investments	8	(408)	51
Loss on disposal of fixed assets		(392)	-
Deficit before tax		(7,306)	(541)
Taxation		-	-
Deficit for the year		(7,306)	(541)
Total comprehensive expenditure for the year		(7,306)	(541)
Represented by:			
Unrestricted comprehensive expenditure for the year		(7,306)	(541)

All items of income and expenditure relate to continuing activities.

The accompanying accounting policies and notes 1 to 22 form an integral part of these financial statements.

The Inner Circle Educational Trust
(formerly Regent's University London)
UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
for the year ended 31 July 2020

	Notes	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
Income			
Tuition fees	1	37,548	37,978
Other income	2	3,667	4,942
Investment income	3	254	290
Donations and endowments	4	129	6
Total Income		41,598	43,216
Expenditure			
Staff costs	5	21,015	21,330
Other operating expenses	7	24,049	19,817
Depreciation	10	2,969	2,857
Interest and other finance costs	6	13	1
Total Expenditure		48,046	44,005
Deficit before other gains		(6,448)	(789)
(Loss)/gain on investments	8	(408)	51
Loss on disposal of fixed assets		(392)	-
Deficit before tax		(7,248)	(738)
Taxation		-	-
Deficit for the year		(7,248)	(738)
Total comprehensive expenditure for the year		(7,248)	(738)
Represented by:			
Unrestricted comprehensive expenditure for the year		(7,248)	(738)

All items of income and expenditure relate to continuing activities.

The accompanying accounting policies and notes 1 to 22 form an integral part of these financial statements.

The Inner Circle Educational Trust
(formerly Regent's University London)
CONSOLIDATED AND UNIVERSITY STATEMENTS OF CHANGES IN RESERVES
for the year ended 31 July 2020

Consolidated	Income and expenditure account Unrestricted £000
Balance at 1 August 2018	20,189
Total comprehensive expenditure for the year	(541)
Balance at 31 July 2019	<u>19,648</u>
Total comprehensive expenditure for the year	(7,306)
Balance at 31 July 2020	<u><u>12,342</u></u>

University	Income and expenditure account Unrestricted £000
Balance at 1 August 2018	19,978
Total comprehensive expenditure for the year	(738)
Balance at 31 July 2019	<u>19,240</u>
Total comprehensive expenditure for the year	(7,248)
Balance at 31 July 2020	<u><u>11,992</u></u>

The accompanying accounting policies and notes 1 to 22 form an integral part of these financial statements.

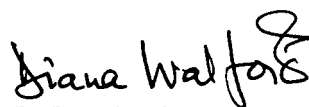
The Inner Circle Educational Trust
(formerly Regent's University London)
CONSOLIDATED AND UNIVERSITY BALANCE SHEETS
As at 31 July 2020

	Notes	Group 31 July 2020 £000	Group 31 July 2019 £000	University 31 July 2020 £000	University 31 July 2019 £000
Fixed Assets					
Intangible assets – negative goodwill	9	-	(181)	-	-
Tangible assets	10	9,823	13,389	9,823	13,389
Investments	11	6,741	6,950	6,741	6,950
		<u>16,564</u>	<u>20,158</u>	<u>16,564</u>	<u>20,339</u>
Current Assets					
Stock		43	53	30	24
Debtors	12	2,608	3,262	3,104	3,465
Short term deposits		1	3,001	1	3,001
Cash at bank and in hand		3,138	2,088	2,166	659
		<u>5,790</u>	<u>8,404</u>	<u>5,301</u>	<u>7,149</u>
Current Liabilities					
Creditors: amounts falling due within one year	13	(6,239)	(8,914)	(6,100)	(8,248)
Net Current Liabilities		<u>(449)</u>	<u>(510)</u>	<u>(799)</u>	<u>(1,099)</u>
Long Term Liabilities					
Creditors: amounts falling due after one year	14	(240)	-	(240)	-
Provision for Liabilities					
Other provisions	15	(3,533)	-	(3,533)	-
TOTAL NET ASSETS		<u>12,342</u>	<u>19,648</u>	<u>11,992</u>	<u>19,240</u>
Unrestricted reserves					
Income and expenditure reserve		12,342	19,648	11,992	19,240
TOTAL RESERVES		<u>12,342</u>	<u>19,648</u>	<u>11,992</u>	<u>19,240</u>

The financial statements on pages 22 to 43 were approved by the Board on 9 December 2020 and signed on its behalf by



Prof Geoff Smith
Trustee



Dr Diana Walford
Trustee

Company number 1791760

The accompanying accounting policies and notes 1 to 22 form an integral part of these financial statements.

The Inner Circle Educational Trust
(formerly Regent's University London)
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 July 2020

	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
Cash flow from operating activities		
Deficit for the year	(7,306)	(541)
Adjustment for non-cash items		
Depreciation	2,969	2,857
Amortisation of intangibles	(181)	(50)
Loss/(gain) on investments	408	(51)
Loss on disposal of fixed assets	392	-
Decrease in stock	10	8
Decrease in debtors	654	22
(Decrease)/increase in creditors	(2,749)	4
Increase in provisions	3,533	-
Asset Impairment	1,740	-
Adjustment for investing or financing activities		
Investment income	(258)	(294)
Interest charged on finance leases	13	1
Investment fund management charges	17	16
Net cash (outflow)/inflow from operating activities	(758)	1,972
Cash flow from investing activities		
Proceeds from sales of investments	1,267	792
Payments to acquire tangible fixed assets	(1,149)	(4,954)
Payments to acquire investments	(1,483)	(1,013)
Interest received	42	73
Dividends received	216	221
Net Cash Outflow from investing activities	(1,107)	(4,881)
Cash flow from financing activities		
Interest paid on finance leases	(13)	(1)
Capital element of finance lease repayments	(72)	(86)
Net Cash Outflow from financing activities	(85)	(87)
Decrease in cash and cash equivalents in the year	(1,950)	(2,996)
Cash and cash equivalents at beginning of the year	5,089	8,085
Cash and cash equivalents at end of the year	3,139	5,089
Cash and cash equivalents comprise:		
Cash at bank and in hand	3,138	2,088
Short term deposits	1	3,001
	3,139	5,089

The accompanying accounting policies and notes 1 to 22 form an integral part of these financial statements.

The Inner Circle Educational Trust

(formerly Regent's University London)

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2020

Basis of preparation

The Inner Circle Educational Trust 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 2019 and in accordance with Financial Reporting Standard FRS 102. They have been prepared in accordance with the Companies Act 2006 and in accordance with the OfS Accounts Direction 2019.

The University was 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 FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies.

The financial statements have continued to be prepared on going concern basis following completion of the transfer of assets and undertakings on 29 September 2020. The Inner Circle Educational Trust received £1m of funding on 28 October 2020. The charity will disburse funds to meet the Charitable Objects but retain a minimum level of reserves to meet financial obligations. Currently, the charity has no financial liabilities, therefore the Trustees consider the preparation of these financial statements on a going concern basis to be appropriate.

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 FRS 102:

- 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 2020 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.

The Inner Circle Educational Trust

(formerly Regent's University London)

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2020

Donations

Donations with no restrictions are recognised in income when the Charity 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.

The Inner Circle Educational Trust

(formerly Regent's University London)

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2020

Taxation Status

The Inner Circle Educational Trust 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, it 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 Inner Circle Educational Trust receives no similar exemption in respect of value added tax (VAT). Due to the provision of education by a university being an exempt supply, 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.

The Inner Circle Educational Trust

(formerly Regent's University London)

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2020

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.
- The decision to relocate activity from the sites in Marylebone to the Park Campus resulted in these assets no longer being used by the University and the recognition of both an impairment of fixed assets, a provision for an onerous lease and dilapidation costs in the year ended 31 July 2020. The impairment of fixed assets was £1.7m based on the net book value of fixed assets at the date the University ceased to use the Marylebone estate. The onerous lease provision of £2.9m represents the discounted cost of future lease payments up to the break-point in the lease and the dilapidations provision of £0.8m is based on an independent surveyor's report.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 10)

Tangible fixed assets are depreciated over their useful lives considering 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 annually, on an individual debtor basis, to consider whether each debt is recoverable and estimate a value for irrecoverable debtors.

The Inner Circle Educational Trust
(formerly Regent's University London)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2020

1(a). Tuition Fee Income

	Group Year ended 31 July 2020 £000	Group Year ended 31 July 2019 £000	University Year ended 31 July 2020 £000	University Year ended 31 July 2019 £000
Tuition and registration fees	37,572	37,975	37,572	37,975
Exchange (loss)/gain	(24)	3	(24)	3
	37,548	37,978	37,548	37,978

1(b). Sources of Tuition Fee Income

	Group Year ended 31 July 2020 £000	Group Year ended 31 July 2019 £000	University Year ended 31 July 2020 £000	University Year ended 31 July 2019 £000
Fee income for taught awards	36,032	36,283	36,032	36,283
Fee income for research awards	192	338	192	338
Fee income from non-qualifying courses	1,348	1,354	1,348	1,354
Tuition and registration fees	37,572	37,975	37,572	37,975

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

2. Other Income

	Group Year ended 31 July 2020 £000	Group Year ended 31 July 2019 £000	University Year ended 31 July 2020 £000	University Year ended 31 July 2019 £000
Residences & Catering	2,456	3,439	2,457	3,441
Rental and Room Hire	12	13	216	262
Central services	-	-	494	685
Trips & Excursions	10	15	10	15
Car Park	36	61	36	62
Conferencing	1,097	2,020	-	-
Furlough grant	426	-	394	-
Other	60	477	60	477
	4,097	6,025	3,667	4,942

The Inner Circle Educational Trust

(formerly Regent's University London)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2020

3. Investment Income

	Group Year ended 31 July 2020 £000	Group Year ended 31 July 2019 £000	University Year ended 31 July 2020 £000	University Year ended 31 July 2019 £000
Bank interest receivable	42	73	38	69
Dividend income	216	221	216	221
	<u>258</u>	<u>294</u>	<u>254</u>	<u>290</u>

4. Donations and endowments

	Group Year ended 31 July 2020 £000	Group Year ended 31 July 2019 £000	University Year ended 31 July 2020 £000	University Year ended 31 July 2019 £000
Unrestricted donations	10	6	129	6
	<u>10</u>	<u>6</u>	<u>129</u>	<u>6</u>

5. Employees

	Group Year ended 31 July 2020 No.	Group Year ended 31 July 2019 No.	University Year ended 31 July 2020 No.	University Year ended 31 July 2019 No.
The average number of persons (excluding Trustees) employed during the year was:				
Management and administration	236	244	231	237
Academic	175	172	175	172
Total average full time equivalent	<u>411</u>	<u>416</u>	<u>406</u>	<u>409</u>

The Inner Circle Educational Trust
(formerly Regent's University London)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2020

5. Employees (continued)

	Group Year ended 31 July 2020 £000	Group Year ended 31 July 2019 £000	University Year ended 31 July 2020 £000	University Year ended 31 July 2019 £000
Staff costs for the above persons:				
Wages and salaries	17,755	17,974	17,529	17,734
Social security costs	1,787	1,831	1,764	1,804
Other pension costs	1,670	1,743	1,651	1,720
Apprenticeship levy	72	73	71	72
	21,284	21,621	21,015	21,330

The above includes £49,638 (2019: £12,358) costs for redundancy.

	Year ended 31 July 2020 £000	Year ended 31 July 2019 £000
Key Management Personnel remuneration:		
Trustees' remuneration	368	612
Directorates' remuneration *	868	1,025
Total compensation paid to Key Management Personnel	1,236	1,637

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

Twelve Key Management Personnel including five staff Trustees were remunerated in the year (2019: Ten Key Management Personnel including four 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. Six lay Trustees were reimbursed for travel and subsistence expenses for attending meetings during the year (2019: Eight Trustees). The aggregate amount reimbursed was £9,943 (2019: £13,328).

The total amount payable to the highest paid Trustee in his capacity as Vice-Chancellor & CEO was £211,000 (2019: £420,000). This included salary of £194,000 (2019: £289,589 plus termination payment of £129,900) and payments in lieu of pension contributions of £17,000 (2019: £37,000 including £13,000 in respect of the termination payment). The Vice-Chancellor & CEO's basic salary is 5.4 times the median pay of all staff and the total remuneration is 5.8 times the median total remuneration of all staff calculated on a full-time equivalent basis. The Vice-Chancellor & CEO had use of a residential property located on the University's site. This non-taxable benefit had a value of £8,246 (2019: £26,400) and represents the value the property was let to third parties on an arm's length basis less contributions in the year by the Vice-Chancellor & CEO over the period of occupation.

Severance payments amounting to £155,733 (2019: £142,900) were made to two (2019: one) Key Management Personnel in the year.

The Inner Circle Educational Trust
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2020

5. Employees (continued)

	Group Year ended 31 July 2020 No.	Group Year ended 31 July 2019 No.	University Year ended 31 July 2020 No.	University Year ended 31 July 2019 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 – £64,999	16	14	15	13
£65,000 – £69,999	9	5	9	5
£70,000 – £74,999	4	6	4	6
£75,000 – £79,999	-	1	-	1
£80,000 – £84,999	1	3	1	3
£85,000 – £89,999	2	1	2	1
£90,000 – £94,999	1	-	1	-
£100,000 – £104,999	2	-	2	-
£105,000 – £109,999	1	1	1	1
£110,000 – £114,999	-	1	-	1
£135,000 – £139,999	2	1	2	1
£140,000 – £144,999	-	1	-	1
£155,000 – £159,999	1	-	1	-
£160,000 – £164,999	-	3	-	3
£190,000 – £194,999	-	1	-	1
£205,000 – £209,999	1	-	1	-
£210,000 – £214,999	1	-	1	-
£420,000 – £424,999	-	1	-	1
	41	39	40	38

Pension costs relating to 41 (2019: 39) employees earning more than £60,000 during the period were £281,868 (2019: £301,425).

The Vice-Chancellor & CEO joined the University on 12 August 2019. The appointment was overseen by the Board with the campaign being managed by the Nominations Committee. External advisors were used in the search process and advised the Remuneration Committee on the level of remuneration appropriate to the context in which the University operated. The Remuneration Committee also took into consideration market information on the remuneration paid to Vice-Chancellors at other universities.

6. Interest and other finance costs

	Group Year ended 31 July 2020 £000	Group Year ended 31 July 2019 £000	University Year ended 31 July 2020 £000	University Year ended 31 July 2019 £000
Finance lease charges	13	1	13	1
	13	1	13	1

The Inner Circle Educational Trust
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2020

7. Analysis of other operating expenses

	Group Year ended 31 July 2020 £000	Group Year ended 31 July 2019 £000	University Year ended 31 July 2020 £000	University Year ended 31 July 2019 £000
Academic departments	549	850	582	999
Academic support	1,145	1,153	1,149	1,162
Student services	2,203	3,060	2,262	3,221
Governance	445	192	447	203
Central services	3,663	3,640	3,706	3,733
Estates	13,868	8,542	13,869	8,544
ITS and MIS	1,315	1,510	1,316	1,511
Bad debts	220	(127)	220	(127)
Conferencing	428	1,075	-	-
Goodwill amortisation	(181)	(50)	-	-
Bursaries and scholarships	498	571	498	571
	24,153	20,416	24,049	19,817

180 scholarships and bursaries were granted to individuals in the period ended 31 July 2020 (2019: 212).

Other operating costs increased with provisions made for onerous lease and dilapidations costs totalling £3.5m and asset impairment £1.7m all relating to Marylebone properties as part of estates costs.

	Group Year ended 31 July 2020 £000	Group Year ended 31 July 2019 £000	University Year ended 31 July 2020 £000	University Year ended 31 July 2019 £000
Other operating expenses include:				
Operating lease rental – land and buildings	4,629	4,447	4,629	4,447
Auditors' remuneration (including VAT)				
- Audit services – University	76	62	76	62
- subsidiary companies	6	6	-	-
- Other services – US loans audit	6	6	6	3
- Acquisition related	175	-	175	-
Internal audit	35	35	35	35
Depreciation on assets held under finance lease	77	-	77	-

The Inner Circle Educational Trust

(formerly Regent's University London)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2020

8. (Loss)/Gain on investments

	Group Year ended 31 July 2020 £000	Group Year ended 31 July 2019 £000	University Year ended 31 July 2020 £000	University Year ended 31 July 2019 £000
Realised gain on investments	71	63	71	63
Decrease in market value of investments	(479)	(12)	(479)	(12)
	(408)	51	(408)	51

9. Intangible Assets – negative goodwill

GROUP	Goodwill £000
Cost	
1 August 2019	(494)
Disposals	-
31 July 2020	(494)
Accumulated Amortisation	
1 August 2019	(313)
Charged in the year	(181)
31 July 2020	(494)
Net book value	
31 July 2020	-
31 July 2019	(181)

The Inner Circle Educational Trust
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2020

10. Tangible 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 2019	30,199	9,792	1,709	7,993	145	49,838
Additions	721	341	27	446	-	1,535
Impairment	(1,740)	-	-	-	-	(1,740)
Disposals	(6,356)	(1,809)	(1,451)	(6,042)	(84)	(15,742)
31 July 2020	22,824	8,324	285	2,397	61	33,891
Accumulated Depreciation						
1 August 2019	19,462	7,514	1,633	7,695	145	36,449
Disposals	(6,018)	(1,683)	(1,451)	(6,114)	(84)	(15,350)
Charged in the year	1,932	716	24	297	-	2,969
31 July 2020	15,376	6,547	206	1,878	61	24,068
Net book value 31 July 2020	7,448	1,777	79	519	-	9,823
31 July 2019	10,737	2,278	76	298	-	13,389

UNIVERSITY	Short leasehold improvements £000	Computer equipment £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost						
1 August 2019	29,146	9,723	1,726	7,446	145	48,186
Additions	721	341	27	446	-	1,535
Impairment	(1,740)	-	-	-	-	(1,740)
Disposals	(6,356)	(1,758)	(1,451)	(5,555)	(84)	(15,204)
31 July 2020	21,771	8,306	302	2,337	61	32,777
Accumulated Depreciation						
1 August 2019	18,407	7,470	1,650	7,125	145	34,797
Disposals	(6,018)	(1,632)	(1,451)	(5,627)	(84)	(14,812)
Charged in the year	1,932	716	24	297	-	2,969
31 July 2020	14,321	6,554	223	1,795	61	22,954
Net book value 31 July 2020	7,450	1,752	79	542	-	9,823
31 July 2019	10,739	2,253	76	321	-	13,389

The Inner Circle Educational Trust (formerly Regent's University London)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2020

11. Investments

	Group 31 July 2020 £000	Group 31 July 2019 £000	University 31 July 2020 £000	University 31 July 2019 £000
Listed investments and cash deposits	6,736	6,945	6,736	6,945
Investment in shares	5	5	5	5
	6,741	6,950	6,741	6,950

GROUP AND UNIVERSITY

	£000
Quoted investments and cash deposits:	
Market value at 1 August 2019	6,945
Less: Disposals at original cost (proceeds £1,266,973; gain £70,570)	(1,196)
Management fees	(17)
Add : Acquisitions at cost	1,483
Loss on revaluation at 31 July 2020	(479)
Market value at 31 July 2020	6,736

	Quoted investments £000	Cash deposits £000	Total £000
Investment assets in the UK	5,926	149	6,075
Investment assets outside the UK	661	-	661
31 July 2020	6,587	149	6,736
Market value:			
31 July 2019	6,922	23	6,945
Historic cost of the above investments was:			
31 July 2020	6,245	149	6,394
31 July 2019	6,101	23	6,124

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

The Inner Circle Educational Trust (formerly Regent's University London)

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2020

11. Investments (continued)

Investments in individual entities held at 31 July 2020 which are over 5% of portfolio by value are:

	£000
Barings Targeted Return Fund	3,262
Schroder UK Corporate Bond Fund	444
Trojan Investment Funds	361

All investments are held indirectly through common investment funds.

Investment in shares:

	31 July 2020 £	31 July 2019 £
Groupeement Europeen D'Interet Economique Groupe EBSI (GEIE)	4,676	4,676

UNIVERSITY	31 July 2020 £	31 July 2019 £
Subsidiary undertakings	13	15

The University held more than 20% of the equity of the following companies at 31 July 2020:

Name of company	Class of holding	Proportion held	Nature of business
Inner Circle 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
Inner Circle Business School London Limited	Limited by guarantee	100%	Dormant

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2020

12. Debtors

	Group 31 July 2020 £000	Group 31 July 2019 £000	University 31 July 2020 £000	University 31 July 2019 £000
Trade debtors	409	1,120	392	757
Amounts due from group undertakings	-	-	517	529
Other debtors	177	67	177	166
Prepayments and accrued income	2,022	2,075	2,018	2,013
	2,608	3,262	3,104	3,465

13. Creditors: Amounts falling due within one year

	Group 31 July 2020 £000	Group 31 July 2019 £000	University 31 July 2020 £000	University 31 July 2019 £000
Trade creditors	676	686	672	663
Other taxation and social security costs	474	596	474	596
Other creditors	1,868	2,273	1,811	2,199
Obligations under finance lease contracts	74	-	74	-
Accruals and deferred income	3,147	5,359	3,069	4,790
	6,239	8,914	6,100	8,248

14. Creditors: Amounts falling due after one year

	Group 31 July 2020 £000	Group 31 July 2019 £000	University 31 July 2020 £000	University 31 July 2019 £000
Obligations under finance lease contracts:				
Due 12–24 months	77	-	77	-
Due 24–60 months	163	-	163	-
	240	-	240	-

The Inner Circle Educational Trust
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NOTES TO THE FINANCIAL STATEMENTS
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15. Other provisions

	Group 31 July 2020	Group 31 July 2019	University 31 July 2020	University 31 July 2019
	£000	£000	£000	£000
Onerous Lease	2,685	-	2,685	-
Dilapidation	848	-	848	-
	3,533	-	3,533	-

This relates to an onerous lease provision and a dilapidation provision, recognised on the basis that there is an expectation of future obligations arising from rent and remedial works to be done on Marylebone properties.

16. Commitments and Contingent Liabilities

- i) At 31 July 2020 the group had minimum lease payments under non-cancellable operating leases as set out below:

	31 July 2020	31 July 2019
	£000	£000
Not later than 1 year	4,677	4,471
Later than 1 year and not later than 5 years	18,709	17,883
Later than 5 years	70,583	72,091
Total	93,969	94,445

On 29 September 2020, these commitments were transferred to a private provider of higher education services, Galileo Global Education UK Limited.

- ii) The Inner Circle Educational Trust 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 liability recorded amounting to £3,581 (2019: recoverable £2,663).

The Inner Circle Educational Trust
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2020

17. Financial instruments

	Group 31 July 2020 £000	Group 31 July 2019 £000	University 31 July 2020 £000	University 31 July 2019 £000
Financial assets at fair value through profit or loss:				
Fixed asset investments	6,736	6,945	6,736	6,945
	<hr/>	<hr/>	<hr/>	<hr/>
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	409	1,120	392	757
Amounts due from group undertakings	-	-	517	529
Other debtors	177	46	177	44
Accrued income	3	68	3	68
Short term deposits	1	3,001	1	3,001
Cash at bank and in hand	3,138	2,088	2,166	659
	<hr/>	<hr/>	<hr/>	<hr/>
	3,728	6,323	3,256	5,058
	<hr/>	<hr/>	<hr/>	<hr/>
Financial liabilities that are debt instruments measured at amortised cost:				
Trade creditors	676	686	672	663
Other creditors	1,513	1,878	1,457	1,807
Obligations under finance lease contracts	314	-	314	-
Accruals	1,047	1,902	1,033	1,562
	<hr/>	<hr/>	<hr/>	<hr/>
	3,550	4,466	3,476	4,032
	<hr/>	<hr/>	<hr/>	<hr/>

18. 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.

19. Related party transactions

There is no ultimate controlling party of The Inner Circle Educational Trust. Internet connection charges amounting to £76,000 (2019: £97,000) was paid to CoSector Limited, Procurement Manager's services charges amounting to £35,000 (2019: £32,000) was paid to Velocity 400 Limited and Membership subscription amounting to £2,700 (2019: £2,700) was paid to London Universities Purchasing Consortium during the year. A trustee of The Inner Circle Educational Trust is an advisory board member of CoSector limited and a Key Management Personnel of The Inner Circle Educational Trust is a director of Velocity 400 Limited and London Universities Purchasing Consortium. There was £31,140 balance outstanding payable at the balance sheet date (2019: £nil) to CoSector Limited.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2020

20. 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 £146,969 as at the balance sheet date (31 July 2019: £161,579). Pension costs during the period were £1,670,000 (31 July 2019: £1,743,000).

21. Consolidated reconciliation of net debt

	31 July	
	2020	
	£000	
Net debt at 1 August 2019	(5,089)	
Movement in cash and cash equivalents	(1,950)	
New finance leases	386	
Other non-cash changes	4,307	
Changes in market value and exchange rates	(479)	
Net debt at 31 July 2020	(2,825)	
Change in net debt	2,264	
Analysis of net debt:	31 July	31 July
	2020	2019
	£000	£000
Cash and cash equivalents	3,139	5,089
Borrowings: amounts falling due within one year		
Obligations under finance leases	74	-
Borrowings: amounts falling due after more than one year		
Obligations under finance leases	240	-
Net debt	(2,825)	(5,089)

22. Post balance sheet events

On 29 September 2020, the assets and undertaking of the University were transferred to a private provider of higher education services, Galileo Global Education UK Limited (company number 8100095) ("Galileo"). Until the transfer of its university business on 29 September 2020 and its subsequent change of name, The Inner Circle Educational Trust was known as Regent's University London. The Inner Circle Educational Trust received £1m of funding on 28 October 2020. The charity will disburse funds to meet the Charitable Objects but retain a minimum level of reserves to meet financial obligations.