

Regent's College

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 August 2003



Regent's College

LEGAL AND ADMINISTRATIVE INFORMATION

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

TRUSTEES

J Dorgan (Appointed 3rd February 2003, Retired 26th February 2004)
Y Makar (Appointed 3rd February 2003, Retired 26th February 2004)
E de la Croix
T Pey (Resigned 4th August 2003)
G Colleary (Retired 26th February 2004)
G Gula (Retired 26th February 2004)
M Scriven (Resigned 3rd February 2003)
P Douglas (Appointed 11th November 2003)
B Cooney (Appointed 11th November 2003, Resigned 27th January 2004)

The members of the Council of Management (the board of trustees) are appointed either by the members or by the trustees themselves, subject to ratification by the members at the AGM following their appointment. There are also provisions in the Memorandum and Articles of Association empowering members to remove trustees. One third of the trustees retire by rotation each year at the AGM and if they so wish offer themselves for re-election at the AGM.

PRESIDENT

Mrs Gillian Payne

SECRETARY

Ian Burman

REGISTERED OFFICE AND PRINCIPAL ADDRESS

Inner Circle
Regent's Park
London
NW1 4NS

AUDITORS

Baker Tilly
2 Bloomsbury Street
London
WC1B 3ST

SOLICITORS

Bircham Dyson Bell
50 Broadway
London
SW1H 0BL

Regent's College

LEGAL AND ADMINISTRATIVE INFORMATION

BANKERS

Barclays Bank plc
London Corporate Banking Group
P O Box 544
54 Lombard Street
London
EC3V 9EX

INVESTMENT MANAGERS

Cazenove Fund Management Ltd
12 Moorgate
London
EC2R 6DA

Dresdner RCM Global Investors (UK) Ltd
P O Box 191
10 Fenchurch Street
London
EC3M 3LB

INSURANCE BROKERS

Arbuthnot Insurance Brokers
Thames Bridge House
Henley Bridge
Henley on Thames
RG9 2LN

Regent's College

TRUSTEES' REPORT

The trustees are pleased to present their report for the year ended 31 August 2003. This report is prepared in accordance with the recommendations of the Statement of Recommended Practice – Accounting and Reporting by Charities and complies with applicable law.

STATUS AND ADMINISTRATION

Regent's College is a company limited by guarantee and a registered charity that was founded in 1984. It is governed by its Memorandum and Articles of Association.

CHARITABLE OBJECTS

The objects of the charity are the advancement of education in England for the public benefit by all.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

The College operates under the name of British American College London which provides courses of study leading to Bachelor of Arts and Bachelor of Science degrees. The degrees are accredited by Webster University St Louis Missouri. The academic programmes are grounded in the Liberal Arts and Science tradition developed in the USA, focusing on intellectual and cultural depth. Students from around the world attend the College. Additionally the College hosts a study abroad programme for American undergraduates from universities and colleges affiliated to the British American College London. Student numbers continue to grow steadily.

The College pursues an ongoing policy of investment in all its facilities to provide students with a secure and high quality learning environment.

The College has two trading subsidiaries: Regent's College Conference Centre Ltd and Regent's College School of Psychotherapy & Counselling Ltd.

The Conference Centre lets rooms on a day to day basis to a range of educational, charitable and commercial organisations. It also provides catering facilities to its clients. The business has grown steadily over the past few years and continual efforts are made by the staff to seek ways to improve the services provided.

The School of Psychotherapy has an international reputation as one of the UK's leading therapeutic training institutions, delivering professional training and academic education in psychotherapy, counselling and counselling psychology, from foundation level to doctorate. Over the past three years, the School has expanded its activities into the area of alternative dispute resolution training, with particular success in programmes provided for members of the legal profession. A Counselling and Consultation Centre, operated by the School, provides low cost psychotherapy and counselling to students [and staff] on campus and to members of the public.

The School operates in a very competitive market place, and in past years has incurred losses. However, thanks to the tremendous efforts of its staff and directors, the School has reversed this trend and is achieving an annual surplus of revenue over cost. Regent's College continues to support the School and monitors its results on a regular basis.

Regent's College

TRUSTEES' REPORT

FINANCIAL RESULTS

The group net movement in funds for the year, which were arrived at after accounting for an unrealised gain on its investments of £30,113 (2002: loss of £125,815), came to a deficit of £54,223 (2002: surplus of £464,129) which was transferred to reserves. As at 31 August 2003 the reserves amounted to £5,261,884 (2002: £5,316,107). Scholarships of £33,615 (2002: £17,475) were awarded to students based on academic merit and financial need.

RESERVES

The trustees have established a policy whereby the unrestricted funds, that is those funds not committed or invested in tangible fixed assets ('the free reserves'), should be the equivalent of 18 months of total resources expended, which equates to £17.5 million. This level of free reserves is required to ensure that sufficient funds are available for teach out costs in the event of significant changes to course arrangements or a material variation in future income.

All the reserves of the Charity are unrestricted funds. At 31 August 2003 they amounted to £4,595,201 (2002: £5,010,162) but only £1,902,430 (2002: £2,430,263) of this is freely available because the balance is invested in tangible fixed assets.

Our policy is therefore, to increase reserves to the required level by means of annual operating surpluses and judicious management of our investment assets. The trustees review this policy on a regular basis.

INVESTMENT POLICY AND RESULTS

The trustees' investment powers are governed by the Memorandum and Articles of Association. The trustees have appointed joint fund managers to invest funds in a range of Common Investment Funds (CIF's) with the aim of maximising capital growth with minimum risk. The majority of the investments are linked to the stock market and as the investments were made at the height of the market the values have declined significantly over the last four years.

The performance of the funds is monitored on a regular basis. As at 31 August 2003 the value of the investments amounted to £894,947 (2002: £847,203) compared to an original investment of £1 million.

RISK MANAGEMENT

The trustees have identified the major risks to which the charity is exposed and have reviewed and established policies to mitigate those risks. These include the continued development of a business continuity plan, a detailed security review, improvements to the general control environment and the development of a risk appraisal methodology.

The marketing policies ensure that students are recruited from all parts of the world in order to maintain the charity's reputation as a truly international institution and reduce reliance on recruitment from a small geographical area.

Regent's College

TRUSTEES' REPORT

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the group and the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing those financial statements, the trustees are required to:

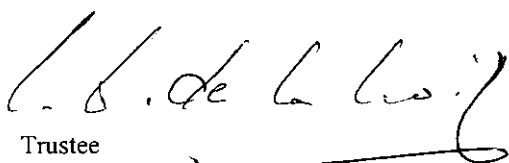
- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and the group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

This report was approved by the Board of Trustees on 23 March 2004.



Trustee
23 March 2004

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

We have audited the financial statements on pages 7 to 19.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees' (who are also the directors of Regent's College for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the trustees' report on page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the legal and administrative information and the trustees' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.


Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the group's and the charitable company's affairs at 31 August 2003 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditors
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

23rd March 2004

Regent's College

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 August 2003

	Notes	2003	2002
		£	£
INCOMING RESOURCES			
Incoming resources from operating activities of the charity			
Activities in furtherance of the charity's objects	2	6,189,497	5,935,338
Activities for generating funds – Trading subsidiaries	1	3,883,425	3,758,228
– Other	3	2,665,453	2,450,788
Investment income	4	113,118	123,481
TOTAL INCOMING RESOURCES		12,851,493	12,267,835
RESOURCES EXPENDED			
Cost of generating funds – Trading subsidiaries	1	(1,259,391)	(1,254,926)
– Other	5	(4,605,731)	(4,270,496)
Net incoming resources available for charitable application		6,986,371	6,742,413
Charitable expenditure			
Costs of activities in furtherance of charity's objects	6	5,738,219	5,387,200
Support costs	7	974,599	717,019
Management and administration of the charity	8	353,295	43,881
Total charitable expenditure		7,066,113	6,148,100
TOTAL RESOURCES EXPENDED		12,931,235	11,673,522
NET (OUTGOING)/INCOMING RESOURCES	10	(79,742)	594,313
Gains and losses on revaluations and disposals of investment assets		25,519	(130,184)
NET MOVEMENT IN FUNDS		(54,223)	464,129
Total funds brought forward at 1 September 2002		5,316,107	4,851,978
Total funds carried forward at 31 August 2003		5,261,884	5,316,107

All the above results are derived from continuing activities.

All funds are unrestricted funds.

The deficit for the year for Companies Act purposes comprises the net outgoing resources for the year plus realised losses on investments and was £(84,336) (2002: £589,944).

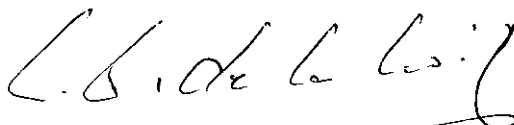
Regent's College

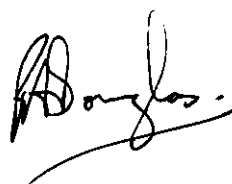
BALANCE SHEET

31 August 2003

	Notes	2003 £	Group 2002 £	2003 £	Charity 2002 £
FIXED ASSETS					
Tangible assets	11	2,813,960	2,626,309	2,692,771	2,579,899
Investments	12	894,947	847,203	895,055	847,311
		<u>3,708,907</u>	<u>3,473,512</u>	<u>3,587,826</u>	<u>3,427,210</u>
CURRENT ASSETS					
Debtors	13	2,210,909	1,888,781	2,770,962	2,258,348
Cash at bank and in hand		2,219,436	2,635,853	1,052,455	1,859,866
		<u>4,430,345</u>	<u>4,524,634</u>	<u>3,823,417</u>	<u>4,118,214</u>
CREDITORS: Amounts falling due within one year	14	<u>(2,877,368)</u>	<u>(2,682,039)</u>	<u>(2,816,042)</u>	<u>(2,535,262)</u>
NET CURRENT ASSETS		<u>1,552,977</u>	<u>1,842,595</u>	<u>1,007,375</u>	<u>1,582,952</u>
NET ASSETS		<u>5,261,884</u>	<u>5,316,107</u>	<u>4,595,201</u>	<u>5,010,162</u>
UNRESTRICTED FUNDS					
General funds	16	<u>5,261,884</u>	<u>5,316,107</u>	<u>4,595,201</u>	<u>5,010,162</u>

Approved by the Board on 23 March 2004


Trustee


Trustee

Regent's College
GROUP CASH FLOW STATEMENT
for the year ended 31 August 2003

	2003 £	2003 £	2002 £	2002 £
Reconciliation of net (outgoing)/incoming resources to net cash inflow from operating activities				
Net (outgoing)/incoming resources	(79,742)		594,313	
Bank and other interest received	(93,146)		(104,551)	
Dividends received	(19,972)		(18,930)	
Depreciation	715,949		685,287	
Loss on disposal of fixed assets	49,760		557	
Increase in debtors	(322,128)		(757,799)	
Increase in creditors	195,329		247,265	
Net cash inflow from operating activities		446,050		646,142
Returns on investments and servicing of finance				
Bank and other interest received	93,146		104,551	
Dividends received	19,972		18,930	
		113,118		123,481
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets	(959,659)		(519,344)	
Proceeds from sale of tangible fixed assets	6,299		858	
Fixed asset investments acquired	(37,225)		(100,664)	
Proceeds from sale of fixed asset investments	15,000		79,515	
		(975,585)		(539,635)
(DECREASE)/INCREASE IN THE YEAR		(416,417)		229,988

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2003 £
Decrease in cash in the year	(416,417)
Net funds at 31 August 2002	2,635,853
Net funds at 31 August 2003	2,219,436

ANALYSIS OF NET FUNDS	At 1 September 2002 £	Cash flow £	At 31 August 2003 £
Cash in hand and at bank	2,635,853	(416,417)	2,219,436

Regent's College

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed asset investments, and in accordance with applicable accounting standards. They have also been prepared in accordance with the Companies Act 1985 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP) that was published in October 2000.

The group financial statements consolidate the financial statements of Regent's College and all its subsidiaries made up to 31 August 2003. No separate Statement of Financial Activities has been presented for Regent's College alone as permitted by section 230 of the Companies Act 1985 and paragraph 304 of the SORP.

TANGIBLE FIXED ASSETS

Tangible fixed assets costing more than £500 are capitalised and are stated at historical 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	-	over the period of the lease
Plant and machinery	-	20% - 33% per annum
Computer equipment	-	33% per annum
Fixtures and Fittings	-	20% - 33% per annum
Motor vehicles	-	25% per annum

FIXED ASSET INVESTMENTS

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

PENSIONS

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

VALUE ADDED TAX

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

OPERATING LEASES

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

INCOMING RESOURCES

Fees receivable are accounted for in the period in which the service is provided.

Income from investments is included in the Statement of Financial Activities in the year in which it is receivable. Rental income is accounted for on the accruals basis.

All other income is accounted when it becomes receivable.

RESOURCES EXPENDED

Resources expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. These estimates are based on staff time, space occupied or student numbers as appropriate.

Regent's College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2003

1 NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

The charity has three wholly owned trading subsidiaries which are incorporated in the UK. Regent's College School of Psychotherapy and Counselling Limited is involved in the provision of higher education. Regent's College Conference Centre is involved in the provision of conference facilities. Webster Graduate Studies Centre Limited has ceased trading. A summary of their trading results after adjustment for intra-group trading is shown below. Audited accounts of each company have been filed with the Registrar of Companies.

	Regent's College School of Psychotherapy & Counselling Limited £	Webster Graduate Studies Centre Limited £	Regent's College Conference Centre Limited £	Total 2003 £	Total 2002 £
Turnover	1,255,077	-	2,628,348	3,883,425	3,758,228
Administration costs	(764,763)	(1,041)	(493,042)	(1,258,846)	(1,254,926)
Operating profit/(loss)	490,314	(1,041)	2,135,306	2,624,579	2,503,302
Interest receivable	3,206	22	22,336	25,564	39,035
Taxation	(545)	-	-	(545)	-
Net profit for the year	492,975	(1,019)	2,157,642	2,649,598	2,542,337
Amounts covenanted to Regent's College	-	-	(400,000)	(400,000)	(300,000)
Intra Group trading eliminated above	(322,793)	-	(1,555,887)	(1,878,680)	(1,877,230)
Dealt with by subsidiaries	170,182	(1,019)	201,755	370,918	365,107

2 ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

	2003 £	2002 £
Tuition and registration fees	2,349,421	2,162,547
Meals	750,016	806,924
Residences and Laundry	756,992	743,131
Car Park	120,863	113,583
Trips and excursions	60,708	62,544
Central services to other educational bodies	1,011,915	906,518
Rental income	1,098,675	1,091,264
Exchange gain	74,522	66,302
Bursaries, scholarships and discounts	(33,615)	(17,475)
	6,189,497	5,935,338

The incoming resources of the charity during the year were all made in the same geographical area.
19 scholarships were granted to individuals in the year ended 31 August 2003 (2002 : 10)

Regent's College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2003

3	ACTIVITIES FOR GENERATING FUNDS – OTHER	2003 £	2002 £
	Rental income	1,392,803	1,401,839
	Central services	808,093	713,313
	Catering income	464,557	335,636
		<u>2,665,453</u>	<u>2,450,788</u>
4	INVESTMENT INCOME	2003 £	2002 £
	Bank interest receivable	90,890	102,689
	Other interest receivable	2,256	1,862
	Dividend income	19,972	18,930
		<u>113,118</u>	<u>123,481</u>
5	COST OF GENERATING FUNDS – OTHER	2003 £	2002 £
	Premises costs	1,658,284	1,653,032
	Central services	772,087	676,212
	Cost of meals	1,247,989	1,013,787
	Management costs	799,257	822,275
	Non-recoverable VAT	128,114	105,190
		<u>4,605,731</u>	<u>4,270,496</u>
6	COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITY'S OBJECTS	2003 £	2002 £
	Car park	22,466	16,297
	Teaching staff costs	497,882	566,130
	Academic costs	138,065	144,073
	Cost of meals	793,150	798,933
	Telephone	20,238	23,002
	Bad debts	20,177	34,802
	Non-recoverable VAT	256,729	210,792
	Premises costs	2,263,028	2,188,412
	Central services	1,726,484	1,404,759
		<u>5,738,219</u>	<u>5,387,200</u>
7	SUPPORT COSTS	2003 £	2002 £
	Legal and professional	257,752	58,491
	Premises costs	25,101	24,865
	Management costs	691,746	633,663
		<u>974,599</u>	<u>717,019</u>

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2003

8	MANAGEMENT AND ADMINISTRATION OF THE CHARITY	2003 £	2002 £
	Legal and professional	331,345	24,901
	Audit and accountancy	21,950	18,980
		<u>353,295</u>	<u>43,881</u>
9	EMPLOYEES	2003 No.	2002 No.
	The average monthly number of persons (excluding trustees) during the year was:		
	Management and administration	117	111
	Academic	64	66
		<u>181</u>	<u>177</u>
		2003 £	2002 £
	Staff costs for the above persons:		
	Wages and salaries	3,624,234	3,280,441
	Social security costs	326,866	289,449
	Other pension costs	210,025	300,007
		<u>4,161,125</u>	<u>3,869,897</u>

No remuneration was paid to trustees in the year.

Six trustees were re-imbursed for travel and subsistence expenses for attending meetings during the year. The aggregate amount re-imbursed was £15,612.

	2003 No.	2002 No.
The number of employees with emoluments of £50,000 or more during the year for Regent's College and its subsidiaries were :		
50,000 – 59,999	2	2
70,000 – 79,999	1	-
90,000 – 99,999	1	1
100,000 – 110,000	-	1
	<u>4</u>	<u>4</u>

Pension costs relating to 4 (2002: 3) employees earning more than £50,000 during the year were £18,872 (2002: £12,074).

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2003

10

NET (OUTGOING)/INCOMING RESOURCES

2003

2002

£

£

Net (outgoing)/incoming resources is stated after charging:

Operating lease rental – other

1,471,250

1,471,250

Depreciation – owned assets

715,949

685,287

Exchange gains

(74,522)

(66,302)

Auditors' remuneration - Audit services

27,958

24,146

- Other services

27,264

38,545

Loss on disposal of tangible fixed assets

49,760

557

11

TANGIBLE
FIXED
ASSETS

Short
leasehold
improvements

Computer
equipment

Plant and
machinery

Fixtures
and
fittings

Motor
vehicles

Total

£

£

£

£

£

£

GROUP

Cost

1 September 2002

4,684,585

1,622,795

549,943

1,461,133

43,980

8,362,436

Additions

278,359

337,716

91,848

250,120

1,616

959,659

Disposals

(108,524)

-

-

(6,887)

-

(115,411)

31 August 2003

4,854,420

1,960,511

641,791

1,704,366

45,596

9,206,684

Depreciation

1 September 2002

2,517,327

1,442,676

475,502

1,264,427

36,195

5,736,127

Charged in year

374,272

194,541

51,139

90,749

5,248

715,949

Disposals

(58,204)

-

-

(1,148)

-

(59,352)

31 August 2003

2,833,395

1,637,217

526,641

1,354,028

41,443

6,392,724

Net book value

31 August 2003

2,021,025

323,294

115,150

350,338

4,153

2,813,960

31 August 2002

2,167,258

180,119

74,441

196,706

7,785

2,626,309

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2003

11	TANGIBLE FIXED ASSETS (continued)	Short leasehold improvements £	Computer equipment £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
	CHARITY						
	Cost						
	1 September 2002	4,654,074	1,544,345	549,943	1,354,921	43,980	8,147,263
	Additions	278,359	317,099	91,848	155,556	1,616	844,478
	Disposals	(108,524)	-	-	-	-	(108,524)
	31 August 2003	4,823,909	1,861,444	641,791	1,510,477	45,596	8,883,217
	Depreciation						
	1 September 2002	2,493,641	1,366,628	475,502	1,195,398	36,195	5,567,364
	Charged in year	370,862	188,378	51,139	65,659	5,248	681,286
	Disposals	(58,204)	-	-	-	-	(58,204)
	31 August 2003	2,806,299	1,555,006	526,641	1,261,057	41,443	6,190,446
	Net book value						
	31 August 2003	2,017,610	306,438	115,150	249,420	4,153	2,692,771
	31 August 2002	2,160,433	177,717	74,441	159,523	7,785	2,579,899
12	FIXED ASSET INVESTMENTS						
		2003 £	Group 2002 £	2003 £	Charity 2002 £		
	Quoted investments and cash deposits	894,947	847,203	894,947	847,203		
	Subsidiary undertakings	-	-	108	108		
		894,947	847,203	895,055	847,311		

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2003

12 FIXED ASSET INVESTMENTS (continued)

GROUP AND CHARITY

	£
Quoted investments and cash deposits:	
Market value at 1 September 2002	847,203
Less: Disposals at opening book value (proceeds £15,000 ; loss £4,594)	(19,594)
Add: Acquisitions at cost	37,225
Net gains on revaluation 31 August 2003	30,113
Market value at 31 August 2003	<u>894,947</u>

	Quoted investments £	Cash deposits £	Total £
Investment assets in the UK	725,395	65,389	790,784
Investment assets outside the UK	104,163	-	104,163
31 August 2003	<u>829,558</u>	<u>65,389</u>	<u>894,947</u>
Market value:			
31 August 2003	<u>829,558</u>	<u>65,389</u>	<u>894,947</u>
31 August 2002	<u>783,317</u>	<u>63,886</u>	<u>847,203</u>
Historical cost of the above investments was:			
31 August 2003	<u>1,023,726</u>	<u>65,389</u>	<u>1,089,115</u>
31 August 2002	<u>1,007,598</u>	<u>63,886</u>	<u>1,071,484</u>

Cash deposits represent funds realised from sale of shares pending reinvestment.

Investments in individual entities held at 31 August 2003 which are over 5% of portfolio by value are:

Chariguard Fixed Interest Fund	£ 60,716
Chariguard UK Equity Fund	£ 243,078
Chariguard Overseas Equity Fund	£ 92,385
Cazenove Investment Fund Management Income Trust For Charities	£ 208,270
Cazenove Investment Fund Management Growth Trust For Charities	£ 181,202

All investments are held indirectly through common investment funds.

CHARITY

	£
Subsidiary undertakings:	
At cost at 1 September 2002 and 31 August 2003	<u>108</u>

Regent's College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2003

12 FIXED ASSET INVESTMENTS (continued)

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

Name of company	Class of holding	Proportion held	Nature of business
Regent's College Pension Trustee Limited	100 ordinary £1 shares	100%	Dormant
Regent's College Business School Limited	2 ordinary £1 shares	100%	Dormant
Regent's College Conference Centre Limited	2 ordinary £1 shares	100%	Provision of conference facilities
Webster Graduate Studies Centre Limited	2 ordinary £1 shares	100%	Ceased trading
Regent's College School of Psychotherapy and Counselling Limited	2 ordinary £1 shares	100%	Provision of educational services

13	DEBTORS	2003 £	Group 2002 £	2003 £	Charity 2002 £
	Due within one year:				
	Trade debtors	518,253	584,407	294,416	447,748
	Amounts due from group undertakings	-	-	907,066	590,163
	Other debtors	970,634	944,927	944,210	931,683
	Prepayments and accrued income	722,022	359,447	625,270	288,754
		<u>2,210,909</u>	<u>1,888,781</u>	<u>2,770,962</u>	<u>2,258,348</u>

14	CREDITORS: Amounts falling due within one year	2003 £	Group 2002 £	2003 £	Charity 2002 £
	Trade creditors	670,295	415,355	652,183	352,761
	Amounts owed to group undertakings	-	-	200,000	200,000
	Corporation tax	545	-	-	-
	Other taxation and social security costs	193,172	112,923	143,090	64,079
	Other creditors	384,107	351,702	356,684	339,076
	Accruals and deferred income	1,629,249	1,802,059	1,464,085	1,579,346
		<u>2,877,368</u>	<u>2,682,039</u>	<u>2,816,042</u>	<u>2,535,262</u>

All deferred income has been released in the following year.

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2003

15 GUARANTEE

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

16 UNRESTRICTED FUNDS

General
funds
£

GROUP

Balance at 1 September 2002	5,316,107
Net movement in funds for the year	(54,223)

Balance at 31 August 2003	5,261,884
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CHARITY

Balance at 1 September 2002	5,010,162
Net movement in funds for the year	(414,961)

Balance at 31 August 2003	4,595,201
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17 COMMITMENTS UNDER OPERATING LEASES

- i) At 31 August 2003 the group had annual commitments under non-cancellable operating leases as follows:

	2003 £	2002 £
Land and buildings expiring after five years	1,471,250	1,471,250

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

- ii) The College is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other group companies' unpaid debts in this connection.

18 PENSIONS

The group contributes a defined amount to specified Personal Policies taken out by eligible employees. Contributions are charged to the accounts as incurred. There were outstanding contributions amounting to £156,605 as at the balance sheet date. Pension costs during the year were £210,025 (2002: £300,007).

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2003

19 LOAN TO TRADING SUBSIDIARY

An interest free loan of £812,345 (2002: £822,525) has been made by the charity to Regent's College School of Psychotherapy and Counselling Limited, secured on its assets and is repayable on demand. At 31 August 2003, a provision of £812,345 had been made against this loan (2002: £822,525).

20 RELATED PARTY TRANSACTIONS

The following related party transactions took place during the year:

<i>Party</i>	<i>Relation- ship</i>	<i>Description of transaction</i>	<i>Value of Transaction £</i>	<i>Year end debtor/ (creditor) balance £</i>
European Business School Educational Trust Limited	(ii)	Rent and service charges	2,109,783	411,761
		Legal and Professional fees paid on behalf	326,031	
College Management Services Limited	(i)	Rent and service charges	986,256	433,717
Regents Business School London Limited	(i)	Rent and service charges	227,086	(24,678)
Webster Graduate Studies Centre London Limited	(i)	Rent and service charges	61,930	(47,850)
Regents International Studies Centre London Limited	(i)	Rent and service charges	51,000	(3,315)
Mergeprime Limited	(i)	Management charge	507,000	(104,353)

Relationship

- i) Mrs G Payne is the ultimate controlling party and is also a director of each company. The management charge consists of a fixed annual fee that increases in line with the retail price index and a variable fee based upon any operating surplus that occurs.
- ii) Mrs GM Payne is involved in the management of European Business School Educational Trust Limited, a registered charity.