

Regent's University London

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 July 2018

Charity No. 291583



Company Registration No. 01791760

Contents

Legal and Administrative Information	I
Strategic Report	3
Trustees' Report	11
Statement of Governance and Internal Control	15
Independent Auditor's Report	19
Consolidated Statement of Comprehensive Income and Expenditure	22
University Statement of Comprehensive Income and Expenditure	23
Consolidated and University Statement of Changes in Reserves	24
Balance Sheets	25
Consolidated Statement of Cash Flows	26
Principal Accounting Policies	27
Notes to the Financial Statements	31

Regent's University London

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Dr Diana Walford CBE – Pro Chancellor & Chair * 2, 3, 4, 5, 6, 7
Alison Alden OBE 2, 3, 4, 5, 6, 7 – Deputy Chair from 16 May 2018
Dr Ghazwa Alwani-Starr – resigned 28 January 2018
David Barker¹ – appointed 28 March 2018
David Barnes¹
Kenneth Batty^{3, 4, 6} – appointed 28 March 2018
Carole Baume – Deputy Chair to 16 May 2018, resigned 27 October 2018
Amanda Bringans^{3, 7}
Carol Burns^{3, 6} – appointed 28 March 2018
Rachel Clarke^{3, 7}
Anne Cleveland – resigned 27 October 2017
Professor Aldwyn Cooper^{2, 3, 5, 6, 7} – Vice Chancellor & CEO
Sir Graeme Davies^{3, 6}
Marguerite Dennis⁵
Tetiana Doronina^{5, 7} – Student Union President – appointed 1 June 2018
Matthias Feist^{5, 7} – Professional Staff Trustee
Elizabeth Jenkins⁵ – appointed 28 March 2018
Mary Kerr^{2, 7} – appointed 27 October 2017
Dominic Laffy² – Academic Staff Trustee
Professor Carl Lygo² – appointed 28 March 2018, resigned 27 October 2018
Anastasia Mamaeva – Student Union President⁵ – resigned 31 May 2018
Andy Masheter^{1, 2} – resigned 20 October 2017
Dominic O'Rourke⁵ – appointed 28 March 2018
Martin Potter² – appointed 28 March 2018
Rosalyn Schofield^{1, 4}
Vimmi Singh^{2, 4, 7}

¹ Member of the Audit and Risk Committee at 31 July 2018

² Member of the Finance and Investment Committee at 31 July 2018

³ Member of the Human Resources Committee at 31 July 2018

⁴ Member of the Remuneration Committee at 31 July 2018

⁵ Member of the Estates and Infrastructure Committee at 31 July 2018

⁶ Member of the Nominations Committee at 31 July 2018

⁷ Member of the Development Committee at 31 July 2018

*The Pro Chancellor & Chair of the Board of Trustees and the Deputy Chair are ex-officio members of the committees, except for the Audit & Risk Committee. They do not normally attend Audit & Risk Committee unless invited.

The members of the Board of Trustees are elected by a simple majority of the Trustees themselves. There are also provisions in the Articles of Association for the removal of Trustees. The Trustees hold office until the end of the next meeting of the Board following the third anniversary of their appointment and, if they so wish, may offer themselves for re-election for a further three-year term. No Trustee shall serve for more than two three-year terms. However, there is provision for a Trustee to serve for up to a further three years if explicitly requested to do so by the Board of Trustees, acting by a two thirds majority.

Vice Chancellor & Chief Executive Officer

Professor Aldwyn Cooper

Secretary

Richard Reger FCIS

Registered Office and Principal Address

Inner Circle
Regent's Park
London
NW1 4NS

Regent's University London

LEGAL AND ADMINISTRATIVE INFORMATION

External Auditor

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

Internal Auditors

Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 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

Regent's University London

STRATEGIC REPORT

University Strategy

The University's strategy has the following core elements:

- Excellent student experience – the Regent's University London student experience is seamless throughout the student lifecycle from application to graduation and alumni affairs. A thorough review has taken place of the student journey leading to the development of the University's learning, teaching and assessment strategy. Taught hours on full time undergraduate programmes will be maintained at a high level supplemented with one on one, personal, tutorial support.
- Growth – Regent's University London will focus on organic growth while retaining a small-feel, personal, family culture. Growth will create a more robust business model that is less susceptible to market fluctuations through maintenance of adequate reserves. The student base will continue to be strongly international. Over 140 countries will continue to be represented on campus with no dominant nationality.
- Teaching and research - Regent's University London will continue to be teaching focused but research engaged. The University is now recruiting PhD students through an agreement with the University of Northampton. Retaining its commitment to academic freedom, the University will develop a positive research environment while placing particular value in the strong interaction between learners and academic staff. The University has launched three research centres in 2017/18 to further strengthen the research environment.
- Development of the estate - The core of the University is on the Inner Circle, Regent's Park where the central team are based and where most students will study for the majority of their degrees, as well as buildings in the Marylebone Village. The University will invest to ensure the estate is of a high standard to provide a first class environment to meet the brand image and deliver the experience expected by our students. Significant capital investments which are closely linked to student experience have been approved by the Board of Trustees for 2018/19.
- Brand development - gaining university title provided Regent's University London with an opportunity to build a stronger brand that can be better understood and recognised within the UK and internationally. The University's programme of public relations will be accelerated so that the institution is even better known and respected by employers, governments and to ensure that relevant programmes are marketed in territories where there is maximum demand. The University is in the process of developing a new website which will be launched in early 2019 to more effectively promote the University to prospective students and its wider stakeholders.
- Outreach and public benefit - Regent's University London is proud of its charitable status and will continue to develop its outreach and public benefit activity. The University will establish a substantial programme of broad educational activities to support the community in London and more widely. This will include support to schools and community groups and the development of a further global citizenship programme. The University has an active scholarship programme and distributed £668,000 in scholarships to students in the year ended 31 July 2018.
- Alumni and fund raising – An external consultancy assisted in the development of high net wealth fundraising in 2017/18 and following a successful search campaign, a new Director of Alumni & Fundraising is due to start in early 2019. It is hoped that alumni will provide even more support in mentoring students and providing work placements as well as assisting in marketing and interviewing potential students.

Regent's University London

STRATEGIC REPORT

Through successfully delivering the elements of the core strategy, the University aims to be the leading private, non-state funded, 'not for profit' university in Europe and with a global reputation and presence. It will continue to have a single overall governing body of trustees that will include international representatives and expertise.

This report summarises the University's activities in the year ended 31 July 2018. This report is prepared in accordance with the recommendations of the Statement of Recommended Practice – Accounting for Further and Higher Education (2014) and complies with applicable law.

Performance Review

The year ended 31 July 2018 represented a period of consolidation for the University. Falling revenue levels from lower student numbers, in-part related to the termination of an agreement with Webster University in late 2014, resulted in the University launching a Liberal Studies programme of its own as well as undertaking a cost reduction exercise. Restructuring concluded in summer 2017 and target savings levels were surpassed. Autumn 2017 recruitment was better than budgeted and when combined with strong trading results from the conferencing business, the year-end financial position is materially better than budgeted.

Underpinning the dominant planning themes are the following key milestones:

- Negotiate a revised lease of longer length for both the University's Regent's Park campus and Marylebone properties;
- Review the University's portfolio of programmes to ensure attractiveness to potential students and efficiency of delivery;
- Introduce a new pay and reward framework to attract and retain quality staff;
- Complete staff survey and cultural assessment to identify and move towards an ideal culture in the workplace which will help ensure the University achieves its strategic objectives;
- Develop a more effective timetabling system to meet student demands and to improve the effective utilisation of space;
- Implement the University's Learning, Teaching & Assessment Strategy to optimise student experience;
- Strengthen the University's research profile to support programme content;
- Increased partnership and collaboration with UK and international higher education institutions; and
- Launch of the University fund raising programme.

Progress against these milestones includes:

- The University has successfully extended the leases on Garbutt Place and Paddington Street to 30 August 2033 and 30 August 2038 respectively. Extension to the Park site lease beyond 2042 remains a high priority going into 2018/19. A lack of clarity on the lease for the Park will make long-term planning, particularly with respect to capital projects, problematic.
- Both faculties reviewed their portfolios including their foundation level programmes in 2017/18. This has led to a number of changes in terms of new programmes being proposed as well as some established programmes being retired. Both faculties are in the process of developing business plans to assist planning and to ensure that the portfolio review is successful in terms of driving growth and improved student satisfaction.
- A new pay and reward framework was developed and approved by the Board in 2017/18. This will be introduced in 2018/19 for all staff. The revised framework addresses long-standing issues with the current system whilst maintaining the link between an individual's pay and performance at an institutional and individual level. Combined with a review of non-pay benefits in 2018/19, it is hoped that significant improvements in staff satisfaction and staff retention can be achieved in 2018/19.

Regent's University London

STRATEGIC REPORT

- As well as the more regular staff survey, a comprehensive cultural survey was undertaken in 2017/18. All staff were encouraged to complete the survey which would help determine the 'ideal' and the 'current' culture and the gap between the two. The results and causal factors are being analysed and discussed with the Directorate. A response plan will be developed in 2018/19 and achievement of the 'ideal' culture is expected to take a number of years but will be critical if the University is to deliver its strategic objectives.
- Having implemented a new timetabling system, feedback from students suggests that more can be done to improve the effectiveness and efficiency of timetabling at the University. Management will focus on further improvements to the business processes through which the timetable is populated on the software with a view to improving student satisfaction in 2018/19.
- The University's Learning, Teaching & Assessment (LTAS) Strategy was developed and launched by the Deputy Vice-Chancellor and the Head of Academic & Educational Development in 2015/16. The strategy aims to ensure that students receive a personalised student experience enhanced by the development of learning in interactive and inclusive environments. The impact of the strategy is expected to translate into improved retention rates and high levels of student satisfaction. The National Student Survey (NSS) results for 2017/18 show a positive direction of travel with a 2.6% improvement on 2016/17. The LTAS is also shaping capital investment in learning space design to help deliver an excellent student experience.
- The University is committed to supporting its research community and celebrating its achievements. A vibrant research culture helps facilitate research and enterprise with nationally/internationally recognised outputs that provide a robust underpinning to teaching programmes. The University's Senate Research Committee continues to meet three times a year to develop policies that underpin research and enterprise work and to monitor progress against the Research Enterprise and Scholarship Strategy (2016/17). The University is committed to expanding the number of PhD students and partners and is working with the University of Northampton to achieve this.
- Subject scholarship is an integral part of all academic staff work, and time to undertake this is factored into workloads. The University believes that scholarly and/or research engaged academics improve the standard of teaching, the University's core activity. University Research Centres and the formation of research clusters are two approaches that are being pursued to further both the learning and teaching agenda as well as engagement with the generation of new knowledge and its use by society.
- The termination of the Webster agreement in late 2014 has resulted in depressed revenues from Study Abroad students from 2015/16. The International Partnerships Office (IPO) is being restructured to ensure that this important revenue stream is re-built through new partnerships and closer collaboration with existing affiliated Universities in the United States of America. The University will invest to ensure a greater presence in these markets with a view to increasing study abroad student numbers.
- The University appointed Grenzebach, Glier & Associates (GG+A) to help strengthen fund raising within the University. The University is in the process of recruiting a Director of Alumni & Fundraising who will work closely with the Vice Chancellor & Chief Executive Officer and GG+A to develop and drive the fundraising strategy in 2018/19.

Regent's University London

STRATEGIC REPORT

Financial Activities and Results

Financial Highlights

RESULTS, CASHFLOWS AND RESERVES	Year ended 31 July 2018	Year ended 31 July 2017
	£'000s	£'000s
Total Income	45,867	45,978
Total Expenditure	43,411	44,958
Surplus Before Other Gains/(Losses)	2,456	1,020
Surplus Before Taxation	2,502	1,323
Cash Flow From Operating Activities (After Taxation)	4,454	3,685
Fixed Assets	17,755	18,160
Net Current Assets	3,783	962
Total Assets Less Current Liabilities	21,538	19,122
Total Reserves	21,538	19,036

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 12. As noted, except for Regent's Conferences & Events Limited all the subsidiary companies are dormant or have ceased to trade.

Results for the Period

The group's total income for the year was £45,867,000 compared with £45,978,000 for the year ended 31 July 2017. The decrease in revenue is mainly due to a reduction in student numbers (degree seeking and Study Abroad). Student full time equivalent numbers, excluding Regent's Marylebone Limited and English Language Teaching decreased from 2,545 in 2016/17 to 2,503 in 2017/18, a 1.6% reduction.

However, through restructuring a reduction in costs was achieved from £44,958,000 in 2016/17 to £43,411,000 in 2017/18, a group surplus of £2,502,000 (2016/2017: surplus £1,323,000) was realised and transferred to reserves. As at 31 July 2018, the total reserves amounted to £21,538,000 (31 July 2017: £19,036,000).

Bursaries and scholarships of £668,000 (2016/2017: £889,000) were awarded to students based on academic merit and financial need. The number of students benefiting from awards increased but as former AIUL students left the University the average award value dropped. This was expected and was a planned cost of the acquisition and integration of AIUL.

The outlook for student recruitment remains challenging in the medium to long term and reversing a declining student number trend remains the University's highest priority. Autumn 2018 recruitment figures illustrate the difficulty in recruitment with a shortfall against budget and autumn 2017 of 9%.

Regent's Conferences & Events Limited performed well in the year ended 31 July 2018 delivering profits of £261,343 (2016/17: loss £18,732). Strong trading and a new catering contractor helped to deliver an 18.8% increase in turnover. After adjusting for internal management recharges, which are a fixed cost to the University, the contribution to the Group's overheads was £834,707 (2016/17 £478,439).

Regent's University London

STRATEGIC REPORT

Cash Flow

The consolidated cash flow statement shows there was an increase in cash for the year of £1,941,000 (2016/2017: decrease of £53,000). However, the 2016/17 cash flow statement included significant cash inflows related to the disposal of part of the University's estate. The University's net cash inflow from operating activities was £4,454,000 (2016/17: £3,685,000). The overall cash position has remained relatively stable from the end of last year. The majority of cash inflows from operating activities have been reinvested in the University's assets.

Key Performance Indicators

The financial performance of the group is closely monitored on a monthly basis by the Finance Director and Vice-Chancellor & Chief Executive with both revenues and costs being compared against the Board approved budget for the year. The most recent monthly management accounts are presented at each Board and Finance and Investment Committee meeting together with a commentary on activity, revenue and expense variances. Trustees agreed a suite of key performance indicators in December 2014. The following financial and non-financial measures were introduced to track performance against University strategic priorities:

Ref	Strategic Area	KPI	Unit	2015/16	2016/17	2017/18	Target 2020/21	Source
KPI 1	Student satisfaction	'Overall I am satisfied with the quality of the course'	%	81%	83%	85.6%	>90%	Student survey
KPI 2	Staff engagement	Staff survey engagement index	%	70%	N/a – no survey	67%	85%	Staff survey
KPI 3	Growth	Student numbers	FTEs	3,035	2,545	2,503	4,000	SITS using HESA FTE definition*
KPI 4	Personal/small feel	Student to academic staff ratio	FTEs	13.0	13.0	13.4	<15:1	Jigsaw and MIS teams
KPI 5	Sustainability	Surplus	%	3.9%	2.9%	5.4%	5%	Audited statutory accounts
KPI 6	Sustainability	Reserves	£m	17.7	19.0	21.5	23.4	5 year forecast and audited statutory accounts

*The University fully adopted the HESA methodology across its entire student population in 2016/17. The 2015/16 student number has been restated using the same methodology to enable comparison between the periods. The Board will review the 2020/21 target of 4,000 students in 2018/19 as part of the update to the University's strategic plan.

Reserves and Strategic Risks

It is the aim of the Trustees to manage the financial resources of the University to permit it to operate as a going concern, bearing in mind the commercial risks of normal activities, and it is their intention to maintain reserves at a level in line with the overall aims set out below.

The Trustees of the University recognise that they have a responsibility to minimise the risk to which the activities of the University could be exposed. They actively review the major risks which the University faces on a regular basis and believe that the maintenance of reserves, combined with the annual review of risk and the controls over key financial systems will provide sufficient resources in the event of adverse conditions.

Regent's University London

STRATEGIC REPORT

In determining the reserves strategy of the University, the Trustees have regard to the development and annual revision of the strategic plan and for the production of the annual operational plans which set out the specific targets and actions against objectives at a departmental level. The factors the University takes into consideration include:

- The volatility of income levels within the University;
- The ability to reduce expenditure to match changes in income;
- The cost of change required to bring recurrent expenditure in line with income;
- The impact of catastrophic events or lesser but damaging events causing the University's operations to be impacted adversely;
- The need to continue to regenerate and modernise the asset base of the University; and
- The ability to respond to new projects to allow them to be undertaken at short notice.

The University is involved in and protected by risk mitigation against these issues materialising by:

- Recognising the need to match variable income with fixed commitments;
- Forecasting processes - avoiding unexpected changes in income and planning mechanisms for taking corrective action;
- Insurance; and
- Embedding risk management within the University.

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

- Market fluctuations such as changes to the visa regulations imposed by the UK Visas and Immigration (UKVI) could impact significantly on the number of students attending the University's courses. The University's income is substantially derived from academic programmes, with only a small contribution from investment income and conferencing activity, and accordingly will rely on reserves in the event of a temporary reduction in student numbers.

The University under-recruited against the student number target in the three years 2013/14 - 2015/16 and used its reserves to fund its activities over this period whilst the causes of the under-recruitment were addressed and the University's running costs were reduced. The University reviews new programmes as well as the existing portfolio through the Senate Portfolio Scrutiny Panel. The risk of failing to recruit is mitigated by ensuring all programmes are commercially viable before approval by the committee and adequate resources are allocated to marketing activity. The University has also restructured and invested in the Marketing, Recruitment & Admissions department and the systems they use to manage applicants students. Enquiry management has been outsourced to improve conversion of students. The University commenced building a new website in 2017/18 and this project will be completed in 2018/19. The primary purpose of the website is to drive student recruitment and therefore tuition revenues.

- The University continues to develop a programme for investment in the refurbishment of the estate and in equipment in order to maintain and develop first class facilities for students and adequate physical resources and infrastructure to deliver planned growth. The Estates and Infrastructure Committee has oversight of all significant estates developments and monitors spend against budget for all projects. A Blueprint for development of the estate over the medium term was presented and approved by Trustees in 2017/18. The Blueprint includes several big-ticket impact projects which will be completed in 2018/19 and are designed to improve the student experience as well as increase revenues. Significant investment may be required in the longer term on the Botany Building and Reid Hall which would require external funding.
- The University continues to review its business operating model to ensure the appropriateness of the structure to deliver the strategic plan. The budgeting process for 2018/19 ensured that resources were allocated to ensure the University's core priorities are achieved.
- The University has substantial on-going commitments relating to the welfare and education of the students and needs to maintain a level of reserves sufficient to continue to meet these commitments. Ongoing commitments include scholarships and bursaries.

Regent's University London

STRATEGIC REPORT

- The University requires reserves to fund its on-going intention of increasing and further developing research activities.

The Finance and Investment Committee reviews the level of the reserves to ensure that the University can meet its likely commitments and the Trustees review the reserves policy on an annual basis. To meet their aims and to reduce their reliance on reserves, the Trustees actively seek opportunities for income generation.

All the reserves of the University are unrestricted funds. At 31 July 2018 they amounted to £21,327,000 (31 July 2017: £19,136,000) but only £10,035,000 (31 July 2017: £7,145,000) of this is freely available because the balance is invested in fixed assets. Total group reserves were £21,538,000 at 31 July 2018 (31 July 2017: £19,036,000).

Investment Policy and Results

The University's investment policy permits cash deposits with a range of larger banks and financial institutions, but with a limit on investment in any one institution. This policy and in particular the approved financial institutions and their limits are reviewed annually.

The Trustees' investment powers are governed by the Articles of Association. The Trustees have appointed joint fund managers (Cazenove Capital Management and Barings Asset Management) to invest funds in a range of Common Investment Funds (CIF's) with the aim of maximising capital growth and income with minimum risk. In the year ended 31 July 2018, the majority of the investments are linked to the stock and bond market and the performance of the funds is monitored on a regular basis.

As at 31 July 2018 the value of the investments amounted to £6,694,000 (31 July 2017: £6,449,000). The University continues to monitor the performance of the fund managers through the Finance and Investment Committee.

Outlook

The Trustees will continue to play a significant role in the development and annual approval of the University's strategic plan. This provides a roadmap for growth and a sound foundation for operation as a degree-awarding institution with university title.

Growth is one of the central themes in the University's strategic plan alongside the core elements of the mission and values of the institution as a charitable organisation dedicated to international education at degree level, a first class student experience, high employability and public benefit. Changes in the regulation of the Higher Education sector with the introduction of the Office for Students (OfS) in April 2018, and the introduction of the Teaching Excellence Framework (TEF), have resulted in the University's student data being increasingly in the public domain and used by students and other stakeholders to compare institutions. Student survey (NSS), employability and graduate salaries, retention and success rate data will continue to be closely monitored by the University to ensure that the University delivers on its value proposition.

The University expects that students as well as the OfS will challenge the University to articulate how it represents Value for Money (VfM) and present information to prospective students in a clear and concise way. Historically, VfM has been largely focussed on ensuring effective procurement and efficient allocation of resources through the budgeting process. The University will increasingly need to understand its student population and which aspects of the Regent's offer they value and for what reasons. The University is considering how to understand better the different aspects of the value proposition which the student population is attracted to. This will not only help with fee setting but also enable marketing messages to be tailored and more effective.

Recent student recruitment cycles have highlighted the uncertainty of the trading environment and the fiercely competitive market in which the University operates. Autumn 2018 is no exception with a significant increase in unconditional offers for applicants creating a 'buyer's market' for applicants. Brexit has increased levels of uncertainty within the sector, but as the University recruits from many countries, the impact upon Regent's University London is likely to be less than most other UK universities.

The University's reliance on students who access the Student Loan Company funding is limited due to the socio-economic make-up of the University's student population. The Higher Education & Research Act 2017 which opened a quicker route to University title for private providers and a demographic dip in the number of UK students applying to Universities in 2018 are both factors which will increase the University's competition levels

Regent's University London

STRATEGIC REPORT

in the medium term.

The growth in expected student applications as a result of achievement of university title has yet to be realised. After positive recruitment rounds in autumn 2016 and 2017 with budget targets surpassed, autumn 2018 was 9% under the new student budget target of 881. Spring 2019 recruitment looks promising in terms of applications and may partly compensate for the shortfall. Combined autumn and spring income levels for new students in 2018/19 will be lower than budget and last year. Additional investment in marketing is being considered to improve recruitment in autumn 2019.

Future growth is expected to be organic and the University is not actively pursuing acquisition, merger or international campus development. Target geographical markets have been identified and country market plans continue to be developed providing a structured route to accessing new or underrepresented territories. Portfolio reviews have now taken place across both faculties to ensure that the portfolio is attractive to potential students and growth potential is maximised. Portfolios will be promoted through the University's new website which is anticipated to be launched in January 2019. This represents a significant investment but when combined with enhanced marketing through the use of data analytics will be the University's primary recruitment tool.

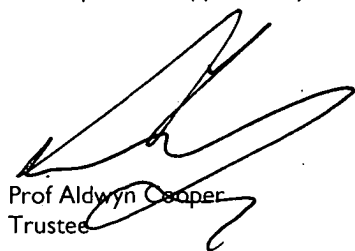
Growth in revenues is required to deliver the University's medium term financial forecast and a sustainable financial model. This is more likely to be achieved through growth in student numbers and improvements in retention rates rather than significant fee increases across the portfolio in the short term as fees are set approximately 18 months in advance. That said, market research will be conducted in 2018/19 to investigate the potential impact on recruitment in the medium to long-term and Vfm if fees were increased above inflation in some areas. Through restructuring, the University has significantly reduced its cost base and revenue increases will impact significantly on surplus generation as a substantial proportion of the University's cost base is fixed.

Despite successfully reducing the University's cost base, the financial outlook for the medium term remains challenging. The University must continue to drive improvements in student experience to ensure the University remains attractive to current and potential students. Investments must and will be carefully considered to ensure the reserves remain adequate whilst seeking to continually improve the offering.

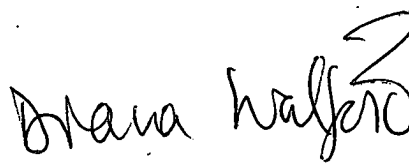
Alongside cost reduction, efficiencies have been realised through core systems' improvements; a new timetabling system (Syllabus Plus) was introduced recently to ensure effective and efficient use of physical and teaching resource as well as improving the student experience. Data analytics was piloted in 2017/18 through a JISC (Joint Information Systems Committee) project. It is envisaged that better use of data will improve the delivery of personal tutoring and improve the student experience and student success rates. Improving student retention rates would materially improve the University's financial position.

The University recognises the need to retain and recruit talent in order to achieve the 2020 strategy. The University will therefore invest significant resource in 2018/19 having redesigned pay and reward for all staff. The new framework links personal reward to performance achieved in the year and aligns University and personal objectives. The framework also enables progression within grade which was a source of significant dissatisfaction particularly with professional services staff. Non-pay benefits will be reviewed in 2018/19 to improve both staff engagement levels and attractiveness of the University as an employer.

This report was approved by the Board of Trustees on 12 December 2018.



Prof Aldwyn Cooper
Trustee



Dr Diana Walford
Trustee

Regent's University London

TRUSTEES' REPORT

Regent's University London ("The University") was founded in 1984 and is a company limited by guarantee, not having a share capital (company number: 1791760). The University is a registered charity, registered at the Charity Commission under charity number 291583. It is governed by its Articles of Association.

New independent Trustees are recruited through a range of recruitment tools and there is a formal training and an induction process. New Trustees are invited to meet with the Chair and key personnel to discuss the operation and administration of the University.

The Board of Trustees meets formally at least four times a year and has complete responsibility for the stewardship of the University's assets; its members focus on strategic decision making and ensuring adherence to its charitable objectives whilst delegating day-to-day operational responsibilities to the Vice Chancellor & Chief Executive Officer and the Directorate as the executive management team. The Board also holds a number of strategic planning days each year with the Directorate.

In the year ended 31 July 2018, 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 (from 23 January 2018)

At 31 July 2018, the Board of Trustees comprised of 21 Trustees.

Charitable Objects

The Objects of the Charity, as set out in the Articles of Association (revised 22 May 2013), are the advancement of education for the public benefit and the foundation, maintenance and support of a university or universities and other educational colleges or institutions for students, both male and female, to include residential accommodation and all necessary and proper ancillary services for such establishment.

Board Policy

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

It is the aim of the Trustees to develop and support the delivery of the University's key strategies linked to a five-year strategic plan. There is an annual cycle whereby the plan is reviewed and revised to reflect changing circumstances and priorities and the plan is reconfirmed by the Trustees on an annual basis.

In addition, the Trustees' role includes:

- Financial and risk stewardship;
- Holding the Directorate to account;
- The building and development of a strong Trustee board;
- The continuing process of embedding good governance throughout the University;
- Playing a leading role in the University's continuing development; and
- The full integration of all the schools within the Regent's University London unified structure in line with its status as an educational charity and to undertake and support various charitable activities in pursuit of this objective.

Regent's University London

TRUSTEES' REPORT

The University will encourage an environment where every opportunity is given for both students and staff to further their knowledge and enrich their lives. Within this, the Trustees have given their full support in the furtherance of the University's core values which are:

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

The University Mission

Developing tomorrow's global leaders.

What we are

A leading, independent, not-for-profit, Higher Education Institution.

What we do

Provide a high quality teaching environment to develop internationally-aware, innovative and employable graduates.

We deliver this through constant innovation, enhancement and attention to excellence.

University Structure

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

All Programmes have a strong focus on global perspective and employability.

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

The University Senate has responsibility for academic development and standards, operating under a constitution established in 2008 and revised in 2011. This has continued to improve academic standards, the learning experience of students, the environment for study and the scholarship of its staff.

During the year to 31 July 2018, the University had one trading subsidiary company, Regent's Conferences & Events Limited which provides catering and conference services. Any taxable profits from subsidiary companies are transferred by gift aid to the parent organisation.

Public Benefit

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

The University delivers teaching and research to a wide range of students. The University is committed to making a meaningful contribution to public benefit and further achieves this through the delivery of a series of outreach programmes. Outreach at Regent's University London constitutes activities that go beyond the University's primary function of providing education to its students, and includes activities that involve its staff, students, resources, facilities and knowledge. The University's outreach strategy focuses on two main areas; widening participation and public engagement.

Regent's University London

TRUSTEES' REPORT

Widening Participation

Through its widening participation aims, the University is committed to being more inclusive and accessible to the local community and to students beyond its traditional cohort. Widening participation at Regent's University London is facilitated primarily through bursaries and scholarships. Scholarships at Regent's University London will continue to be based on merit, for which anyone can apply. Bursaries are aimed at students who are from financially disadvantaged backgrounds, but academically able.

The University has also pursued a policy of developing relationships with secondary schools. In particular it is building a strong partnerships with schools within the local boroughs of Westminster and Camden through a number of collaborative exercises, including hosting their first employability School's Fair with charity partner One Westminster in 2017, which is planned as an annual event for local schools. This summer 2018, staff participated in Year 11 Employer Engagement week at Regent High School, providing workshops on languages and careers skills. The University also continued to host its annual Schools' Model United Nations Conference which is held on campus. It has successfully grown year on year in number and geographical engagement, now involving fourteen UK schools and two internationally-based schools.

Public Engagement

Through collaboration and sharing its knowledge, the University is putting great effort into reaching a wider audience. As 2018 is also the centenary of the Suffragette movement, Regent's students have been participating in a series of public performances celebrating this history in the borough as part of Camden Council's festival. The University continues to host a wide programme of public lectures, seminars and talks, including hosting the third Desmond Tutu Annual International World Peace Summit 2018: Mediating the Impossible. This included high-level speakers discussing international peace, security and South Africa, in this year of Nelson Mandela's Centenary.

Employment of disabled persons

The University has an equal opportunities policy which states that the University is fully committed to promoting and implementing equal opportunities for all staff. This is underpinned by a recruitment and selection code of practice.

Communication to staff

The Trustees and Directorate use a variety of media and different channels of communication to provide staff with information about the University. These include:

- The Joint Consultative Committee, which provides a forum for consultation between the Directorate and representatives of all staff group;
- Periodic Town Hall meetings open to all staff, where the Vice Chancellor & Chief Executive Officer and members of the Directorate present a summary of developments in the University and respond to questions;
- The publication of a weekly e-bulletin, one for all staff and one for all students, again providing information about developments and background to the University's activities; and
- The University's intranet.

Payment of creditors

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

Regent's University London

TRUSTEES' REPORT

Responsibilities of the Trustees of Regent's University London

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the incoming resources and application of resources of the University for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the University will continue in business.

The Trustees are responsible for keeping adequate accounting records that show and explain the University's transactions, disclose with reasonable accuracy at any time the financial position of the University, and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

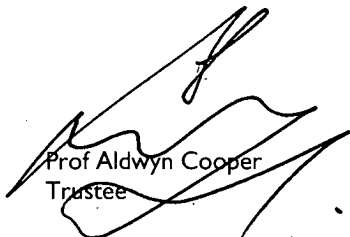
Financial statements are published on the University's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The integrity of the group's website is the responsibility of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

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

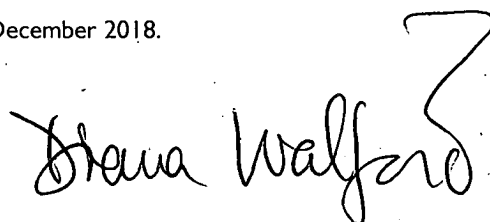
In so far as the Trustees are aware:

- There is no relevant audit information of which the University's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the Board of Trustees on 12 December 2018.



Prof Aldwyn Cooper
Trustee



Dr Diana Walford
Trustee

Regent's University London

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

The Board has a strong and independent non-executive element and no individual or group dominates its decision making process. The Board considers that each of its non-executive members is independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. A code of conduct and a policy on managing conflicts of interest clearly set out the responsibilities and duties of individual Trustees. None of the independent Trustees receive any payment, apart from the reimbursement of reasonable expenses, for the work that they do for the University.

In addition to the independent Trustees, the Vice Chancellor & Chief Executive Officer is a staff Trustee (ex officio). Further, there are two elected trustees, one drawn from academic staff and the other from professional services staff. The elected president of the Student Union is also appointed to the Trustee board.

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

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

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

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

Committees

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

Nominations Committee

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

The Committee members are independent Trustees. The Nominations Committee met three times in the 2017/18 financial year and considered a number of items via circulation. Its main focus during the year was the successful recruitment of seven new Trustees to address gaps identified in the skills, experience and knowledge needed by the Board to provide strong and effective leadership of the organisation.

Regent's University London

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

Remuneration Committee

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

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

The Committee met once in the financial year. The Committee reviewed the remuneration of the Vice Chancellor & Chief Executive Officer and the Directorate. The Committee has access to independent advice if necessary.

During October 2018, the Committee met to consider the University's response to the CUC's 'Higher education senior staff remuneration code' and how it will be implemented.

The Committee was chaired by Carole Baume to 16 May 2018 and then by Alison Alden, who is also Deputy Chair of the Board.

Audit & Risk Committee

The Committee's purpose is to receive reports so that the Committee can advise the Board on the adequacy and effectiveness of the University's system of internal control and its arrangements for risk management, control and governance processes, value for money, the reliability and integrity of reports on the financial statements, and monitoring the internal and external audit services. The Committee members are all independent of management.

The Committee met three times in the 2017/18 financial year and considered a number of items via circulation. There was appropriate challenge at each meeting. 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 2016/17 recommendations and management responses), risk management and emerging risks, the value for money report, the effectiveness of the internal and external auditors and the Committee's own effectiveness.

The Committee recommended these accounts for approval at the November 2018 meeting and these were approved by the Board in December 2018. The Committee provided assurance to the Board at that meeting, based on the information presented to it, that the financial statements were accurately prepared on a going concern basis, risk management (including the accuracy of statement of internal control included with annual statement of accounts), management (including adequate legal and regulatory compliance), data quality, governance as demonstrated by the CUC Code of Governance compliance, economy, efficiency and effectiveness (value for money) and that effective arrangements are in place for the management and quality assurance of data.

Regent's University London

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Internal Control

Scope of responsibility

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the University's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Regent's University London for the year ended 31 July 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

Risk Management

Risk management helps Regent's University London to have confidence in achieving its long-term aims and to effectively manage any threats to acceptable levels. The University is committed to effective risk management and ensures that all significant risks are understood and prioritised as part of the University's strategic and operational management processes.

The Board of Trustees is ultimately responsible for the system of risk management and for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The role of the Board of Trustees is to provide strategic oversight of the University within a framework of prudent and effective controls which enables risk to be assessed and managed. It maintains its risk management and internal control systems through regular reports to the Audit & Risk Committee and through the annual report to the Board. Audit & Risk Committee is also responsible for defining the level of risk appetite for the University.

There exists a clearly defined risk management policy, process and mechanisms for identifying, assessing, monitoring and managing risk. The University has identified categories of risk. Each risk is recorded on the strategic risk register and given a rating according to the likelihood and impact of the risk occurring. The risks are regularly reviewed and actively managed according to their severity. All risks are reviewed by the Directorate.

Regent's University London

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The Board has reviewed the key risks to which the University is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal on-going process for identifying, evaluating and managing the University's significant risks that has been in place for the period ending 31 July 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board.

The risk and control framework

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

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

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

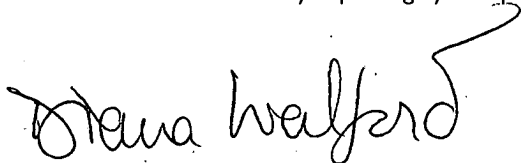
As a minimum, the Head of Internal Audit (HIA) annually provides the Audit & Risk Committee with a report on internal audit activity in the University. The report includes the HIA's independent opinion on the adequacy and effectiveness of the University's system of risk management, controls and governance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

Review of effectiveness

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

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

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



Dr Diana Walford
Chair of the Board
12 December 2018

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

Opinion

We have audited the financial statements of Regent's University London ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2018 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2018 and of the Group's surplus and the Parent Company's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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 or the University's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the University and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Use of our report

This report is made solely to the University's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the University's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Paula Willock (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, West Sussex, United Kingdom
Date *13 December 2018*

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

Regent's University London

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE for the year ended 31 July 2018

	Notes	Year ended 31 July 2018 £000	Year ended 31 July 2017 £000
Income			
Tuition fee income	1	39,203	39,414
Other income	2	6,417	6,333
Investment income	3	246	218
Donations and endowments	4	1	13
Total Income		45,867	45,978
Expenditure			
Staff costs	5	20,298	21,928
Other operating expenses	7	20,180	20,090
Depreciation	11	2,899	2,864
Interest and other finance costs	6	34	76
Total Expenditure		43,411	44,958
Surplus before other gains		2,456	1,020
Gain on disposal of fixed assets	8	-	1
Gain on investments	9	46	302
Surplus before tax		2,502	1,323
Taxation		-	-
Surplus for the year		2,502	1,323
Total comprehensive income for the year		2,502	1,323
Represented by:			
Unrestricted comprehensive income for the year		2,502	1,323

All items of income and expenditure relate to continuing activities.

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

Regent's University London

UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE for the year ended 31 July 2018

	Notes	Year ended 31 July 2018 £000	Year ended 31 July 2017 £000
Income			
Tuition fees	1	39,203	39,414
Other income	2	5,238	5,463
Investment income	3	245	218
Donations and endowments	4	1	13
Total Income		44,687	45,108
Expenditure			
Staff costs	5	20,068	21,640
Other operating expenses	7	19,541	19,539
Depreciation	11	2,899	2,864
Interest and other finance costs	6	34	76
Total Expenditure		42,542	44,119
Surplus before other gains		2,145	989
Gain on disposal of fixed assets	8	-	1
Gain on investments	9	46	302
Surplus before tax		2,191	1,292
Taxation		-	-
Surplus for the year		2,191	1,292
Total comprehensive income for the year		2,191	1,292
Represented by:			
Unrestricted comprehensive income for the year		2,191	1,292

All items of income and expenditure relate to continuing activities.

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

Regent's University London

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES for the year ended 31 July 2018

Consolidated	Income and expenditure account Unrestricted £000
Balance at 1 August 2016	17,713
Total comprehensive expenditure for the year	1,323
Balance at 1 August 2017	19,036
Total comprehensive income for the year	2,502
Balance at 31 July 2018	21,538

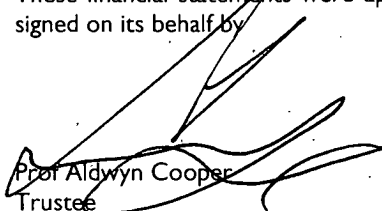
University	Income and expenditure account Unrestricted £000
Balance at 1 August 2016	17,844
Total comprehensive expenditure for the year	1,292
Balance at 1 August 2017	19,136
Total comprehensive income for the year	2,191
Balance at 31 July 2018	21,327

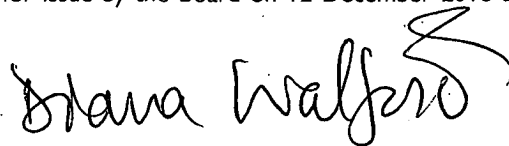
The accompanying accounting policies and notes form an integral part of these financial statements.

Regent's University London
CONSOLIDATED AND UNIVERSITY BALANCE SHEET
31 July 2018

	Notes	Group 31 July 2018 £000	Group 31 July 2017 £000	University 31 July 2018 £000	University 31 July 2017 £000
Fixed Assets					
Intangible assets – negative goodwill	10	(231)	(280)	-	-
Tangible assets	11	11,292	11,991	11,292	11,991
Investments	12	6,694	6,449	6,694	6,449
		17,755	18,160	17,986	18,440
Current Assets					
Stock		61	-	21	-
Debtors	13	3,284	3,736	3,435	3,843
Short term deposits		1	4,001	1	4,001
Cash at bank and in hand		8,084	2,143	6,873	1,178
		11,430	9,880	10,330	9,022
Current Liabilities					
Creditors: amounts falling due within one year	14	(7,647)	(8,918)	(6,989)	(8,240)
Net Current Assets		3,783	962	3,341	782
Long Term Liabilities					
Creditors: amounts falling due after one year	15	-	(86)	-	(86)
TOTAL NET ASSETS		21,538	19,036	21,327	19,136
Unrestricted reserves					
Income and expenditure reserve		21,538	19,036	21,327	19,136
TOTAL RESERVES		21,538	19,036	21,327	19,136

These financial statements were approved and authorised for issue by the Board on 12 December 2018 and signed on its behalf by


Prof Aldwyn Cooper
Trustee


Dr Diana Walford
Trustee

Company number 1791760

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

Regent's University London
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 July 2018

	Year ended 31 July 2018 £000	Year ended 31 July 2017 £000
Cash flow from operating activities		
Surplus for the year	2,502	1,323
Adjustment for non-cash items		
Depreciation	2,899	2,864
Amortisation of intangibles	(49)	(50)
Gain on investments	(46)	(302)
Increase in stock	(61)	-
Decrease in debtors	452	877
Decrease in creditors	(1,043)	(891)
Adjustment for investing or financing activities		
Investment income	(246)	(218)
Interest charged on finance leases	34	76
Investment fund management charges	12	7
Loss on disposal of fixed assets	-	(1)
Net cash inflow from operating activities	4,454	3,685
Cash flow from investing activities		
Proceeds from disposal of tangible fixed assets	-	1
Proceeds from sales of investments	224	341
Payments to acquire tangible fixed assets	(2,200)	(3,422)
Payments to acquire investments	(435)	(528)
Interest received	35	31
Dividends received	211	187
Net Cash Outflow from investing activities	(2,165)	(3,390)
Cash flow from financing activities		
Interest paid on finance leases	(34)	(76)
Capital element of finance lease repayments	(314)	(272)
Net Cash Outflow from financing activities	(348)	(348)
Increase/ (decrease) in cash and cash equivalents in the year	1,941	(53)
Cash and cash equivalents at beginning of the year	6,144	6,197
Cash and cash equivalents at end of the year	8,085	6,144
Cash and cash equivalents comprise:		
Cash at bank and in hand	8,084	2,143
Short term deposits	1	4,001
	8,085	6,144

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

Regent's University London

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2018

Basis of preparation

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

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2014 and in accordance with Financial Reporting Standard FRS 102. They have also been prepared in accordance with the Companies Act 2006.

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

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

Parent company disclosure exemptions

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

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

Basis of Consolidation

The consolidated financial statements incorporate the results of Regent's University London and all of its subsidiary undertakings as at 31 July 2018 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.

Donations

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

Regent's University London

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2018

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 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

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it is expected to provide incremental benefits to the entity.

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 to surplus or deficit for the period to which they relate.

Foreign Currencies

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

Regent's University London

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2018

Taxation Status

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

The University receives no similar exemption in respect of value added tax (VAT). Due to the nature of the University's outputs, value added tax on its inputs is not fully recoverable. Irrecoverable value added tax incurred is capitalised when it relates to items of a capital nature and charged to the income and expenditure account when it is of a revenue nature.

Operating Leases

Rental costs in respect of operating leases are charged to surplus or deficit on a straight line basis over the lease term.

Finance Leases

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

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the income and expenditure account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Holiday pay accrual

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

Regent's University London

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2018

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 leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 11)

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

- Investments (see note 12)

The most critical estimates, assumptions and judgements relate to the determination of carrying value of unlisted investments. In determining this amount, the Group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology. A valuation has been received from a third party at year end.

- Trade debtors (see note 13)

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

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2018

1. Tuition Fee Income

	Group Year ended 31 July 2018 £000	Group Year ended 31 July 2017 £000	University Year ended 31 July 2018 £000	University Year ended 31 July 2017 £000
Tuition and registration fees	39,207	39,419	39,207	39,419
Exchange loss	(4)	(5)	(4)	(5)
	39,203	39,414	39,203	39,414

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

2. Other Income

	Group Year ended 31 July 2018 £000	Group Year ended 31 July 2017 £000	University Year ended 31 July 2018 £000	University Year ended 31 July 2017 £000
Residences & Catering	3,644	3,701	3,644	3,701
Rental and Room Hire	298	392	523	601
Central services	-	-	599	556
Trips & Excursions	56	81	56	81
Car Park	74	77	74	77
Conferencing	2,003	1,635	-	-
Other	342	447	342	447
	6,417	6,333	5,238	5,463

3. Investment Income

	Group Year ended 31 July 2018 £000	Group Year ended 31 July 2017 £000	University Year ended 31 July 2018 £000	University Year ended 31 July 2017 £000
Bank interest receivable	35	31	34	31
Dividend income	211	187	211	187
	246	218	245	218

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2018

4. Donations and endowments

	Group Year ended 31 July 2018 £000	Group Year ended 31 July 2017 £000	University Year ended 31 July 2018 £000	University Year ended 31 July 2017 £000
Unrestricted donations	1	13	1	13
	<u>1</u>	<u>13</u>	<u>1</u>	<u>13</u>

5. Employees

	Group Year ended 31 July 2018 No.	Group Year ended 31 July 2017 No.	University Year ended 31 July 2018 No.	University Year ended 31 July 2017 No.
The average number of persons (excluding Trustees) employed during the period was:				
Management and administration	230	244	225	238
Academic	187	195	187	195
Total average full time equivalent	<u>417</u>	<u>439</u>	<u>412</u>	<u>433</u>

	Group Year ended 31 July 2018 £000	Group Year ended 31 July 2017 £000	University Year ended 31 July 2018 £000	University Year ended 31 July 2017 £000
Staff costs for the above persons:				
Wages and salaries	16,774	18,187	16,584	17,947
Social security costs	1,715	1,841	1,694	1,819
Other pension costs	1,742	1,874	1,724	1,849
Apprenticeship levy	67	26	66	25
	<u>20,298</u>	<u>21,928</u>	<u>20,068</u>	<u>21,640</u>

The above includes £68,000 (2017: £253,000) costs for redundancy.

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2018

5. Employees (continued)

	Year ended 31 July 2018 £000	Year ended 31 July 2017 £000
Trustees' remuneration:		
Trustees' emoluments	406	360
Company contributions to pension	39	36
Compensation to key management personnel	445	396

Four staff Trustees were remunerated in the period (2017: 3 staff trustees). Remuneration was in respect of the Trustees' substantive role as employees of the University. No remuneration was received in their role as Trustees.

The total amount payable to the highest paid Trustee in respect of emoluments was £266,000 (2017: £254,000). Company pension contributions of £26,000 (2017: £25,000) were made to the personal pension scheme of the highest paid Trustee.

Six Trustees were reimbursed for travel and subsistence expenses for attending meetings during the period. The aggregate amount reimbursed was £6,659 (2017: £25,047).

Group Year ended 31 July 2018 No.	Group Year ended 31 July 2017 No.	University Year ended 31 July 2018 No.	University Year ended 31 July 2017 No.
--	--	---	---

The number of employees with emoluments of £60,000 or more during the period for Regent's University London and its subsidiaries was :

£60,000 – £69,999	14	13	13	12
£70,000 – £79,999	6	8	6	8
£80,000 – £89,999	3	2	3	2
£90,000 – £99,999	1	-	1	-
£100,000 – £109,999	-	1	-	1
£120,000 – £129,999	-	1	-	1
£130,000 – £139,999	3	2	3	2
£150,000 – £159,999	1	2	1	2
£160,000 – £169,999	1	-	1	-
£200,000 – £209,999	-	1	-	1
£250,000 – £259,999	-	1	-	1
£260,000 – £269,999	1	-	1	-
	30	31	29	30

Pension costs relating to 30 (2017: 31) employees earning more than £60,000 during the period were £245,431 (2017: £257,600).

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

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2018

6. Interest and other finance costs

	Group Year ended 31 July 2018 £000	Group Year ended 31 July 2017 £000	University Year ended 31 July 2018 £000	University Year ended 31 July 2017 £000
Finance lease charges	34	76	34	76
	34	76	34	76

7. Analysis of other operating expenses

	Group Year ended 31 July 2018 £000	Group Year ended 31 July 2017 £000	University Year ended 31 July 2018 £000	University Year ended 31 July 2017 £000
Academic departments	830	1,224	876	1,285
Academic support	1,057	1,057	1,072	1,075
Student services	3,047	2,755	3,192	2,892
Governance	103	61	110	67
Central services	3,678	3,184	3,772	3,271
Estates	8,399	8,551	8,400	8,552
ITS and MIS	1,413	1,318	1,414	1,319
Bad debts	37	189	37	189
Conferencing	997	912	-	-
Goodwill amortisation	(49)	(50)	-	-
Bursaries and scholarships	668	889	668	889
	20,180	20,090	19,541	19,539

248 scholarships and bursaries were granted to individuals in the period ended 31 July 2018. (2017: 240).

Other operating expenses include:				
Operating lease rental – land and buildings	4,417	4,343	4,417	4,343
Auditors' remuneration (including VAT)				
- Audit services – University	62	58	62	58
- subsidiary companies	5	5	-	-
- Other services – taxation compliance	3	8	-	5
- Other services – US loans audit	6	3	6	3
Internal audit	35	26	35	26
Depreciation on assets held under finance lease	118	128	118	128

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2018

8. Disposal of fixed assets

	Group Year ended 31 July 2018 £000	Group Year ended 31 July 2017 £000	University Year ended 31 July 2018 £000	University Year ended 31 July 2017 £000
Profit on disposal of tangible fixed assets	-	1	-	1
	-	1	-	1

9. Gain on investments

	Group Year ended 31 July 2018 £000	Group Year ended 31 July 2017 £000	University Year ended 31 July 2018 £000	University Year ended 31 July 2017 £000
Realised gain on investments	30	91	30	91
Increase in market value of investments	16	211	16	211
	46	302	46	302

10. Intangible Fixed Assets

	Goodwill £000
GROUP	
Cost	
1 August 2017	(494)
Disposals	
31 July 2018	(494)
Amortisation	
1 August 2017	(214)
Charged in the year	(49)
31 July 2018	(263)
Net book value	
31 July 2018	(231)
31 July 2017	(280)

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2018

11. Tangible Fixed Assets

GROUP	Short leasehold improvements £000	Computer equipment £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost						
1 August 2017	25,533	7,891	1,637	7,478	145	42,684
Additions	1,427	399	34	340	-	2,200
31 July 2018	26,960	8,290	1,671	7,818	145	44,884
Depreciation						
1 August 2017	15,763	6,301	1,501	6,983	145	30,693
Charged in the year	1,804	611	63	421	-	2,899
31 July 2018	17,567	6,912	1,564	7,404	145	33,592
Net book value 31 July 2018	9,393	1,378	107	414	-	11,292
31 July 2017	9,770	1,590	136	495	-	11,991

UNIVERSITY	Short leasehold improvements £000	Computer equipment £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost						
1 August 2017	24,480	7,822	1,654	6,931	145	41,032
Additions	1,427	399	34	340	-	2,200
31 July 2018	25,907	8,221	1,688	7,271	145	43,232
Depreciation						
1 August 2017	14,708	6,257	1,518	6,413	145	29,041
Charged in the year	1,804	611	63	421	-	2,899
31 July 2018	16,512	6,868	1,581	6,834	145	31,940
Net book value 31 July 2018	9,395	1,353	107	437	-	11,292
31 July 2017	9,772	1,565	136	518	-	11,991

Assets held under finance leases for the group and university amounted to a net book value of £nil at the balance sheet date (31 July 2017: £117,507).

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2018

12. Fixed Asset Investments

	Group 31 July 2018 £000	Group 31 July 2017 £000	University 31 July 2018 £000	University 31 July 2017 £000
Listed investments and cash deposits	6,689	6,444	6,689	6,444
Investment in shares	5	5	5	5
	6,694	6,449	6,694	6,449

GROUP AND UNIVERSITY

	£000
Quoted investments and cash deposits:	
Market value at 1 August 2017	6,444
Less: Disposals at original cost	(194)
(proceeds £223,604; gain £29,648)	
Management fees	(12)
Add : Acquisitions at cost	435
Gain on revaluation at 31 July 2018	16
Market value at 31 July 2018	6,689

	Quoted investments £000	Cash deposits £000	Total £000
Investment assets in the UK	6,141	108	6,249
Investment assets outside the UK	440	-	440
31 July 2018	6,581	108	6,689
Market value:			
31 July 2017	6,211	233	6,444
Historic cost of the above investments was:			
31 July 2018	5,748	108	5,856
31 July 2017	5,394	233	5,627

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

Regent's University London

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2018

12. Fixed Asset Investments (continued)

Investments in individual entities held at 31 July 2018 which are over 5% of portfolio by value are:

	£000
Barings Targeted Return Fund	3,312
Schroder UK Corporate Bond Fund	411

All investments are held indirectly through common investment funds.

Investment in shares:

	31 July 2018 £	31 July 2017 £
Groupement Europeen D'Interet Economique Groupe EBSI (GEIE)	4,676	4,676

UNIVERSITY	31 July 2018 £	31 July 2017 £
Subsidiary undertakings	15	15

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

Name of company	Class of holding	Proportion held	Nature of business
Regent's Marylebone Limited	550,000 ordinary £1 shares	100%	Ceased trading
Regent's Conferences & Events Limited	2 ordinary £1 shares	100%	Provision of conference facilities
European Business School (London) Limited	10 ordinary £1 shares	100%	Dormant
Regents Business School London Limited	Limited by guarantee	100%	Ceased trading

Regent's University London
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2018

13. Debtors: Amounts receivable within one year

	Group 31 July 2018 £000	Group 31 July 2017 £000	University 31 July 2018 £000	University 31 July 2017 £000
Trade debtors	994	1,134	485	720
Amounts due from group undertakings	-	-	615	492
Other debtors	83	553	145	585
Prepayments and accrued income	2,207	2,049	2,190	2,046
	3,284	3,736	3,435	3,843

14. Creditors: Amounts falling due within one year

	Group 31 July 2018 £000	Group 31 July 2017 £000	University 31 July 2018 £000	University 31 July 2017 £000
Trade creditors	892	2,007	868	1,566
Other taxation and social security costs	562	547	475	485
Other creditors	268	412	237	398
Obligations under finance lease contracts	86	314	86	314
Accruals and deferred income	5,839	5,638	5,323	5,477
	7,647	8,918	6,989	8,240

15. Creditors: Amounts falling due after one year

	Group 31 July 2018 £000	Group 31 July 2017 £000	University 31 July 2018 £000	University 31 July 2017 £000
Obligations under finance lease contracts:				
Due 12–24 months	-	86	-	86
	-	86	-	86

Regent's University London

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2018

16. Financial instruments

	Group 31 July 2018 £000	Group 31 July 2017 £000	University 31 July 2018 £000	University 31 July 2017 £000
Financial assets:				
Financial assets at fair value	6,689	6,444	6,689	6,444

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

17. 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.

18. Commitments and Contingent Liabilities

- i) At 31 July 2018 the group had minimum lease payments under non-cancellable operating leases as set out below:

	31 July 2018 £000	31 July 2017 £000
Not later than 1 year	4,258	4,268
Later than 1 year and not later than 5 years	17,030	16,065
Later than 5 years	73,646	73,299
Total	94,934	93,632

- ii) Regent's University London is included in a group registration for VAT purposes and is therefore jointly and severally liable for all the VAT liabilities (including, where applicable, penalties and accrued interest) of other group companies. At the balance sheet date, the VAT liabilities recorded amounted to £87,328 (2017: £62,271).
- iii) In the year ended 31 July 2018 the University wrote back £315,709 (31 July 2017 £605,817) of deferred income to tuition fees. These balances mainly relate to tuition fee overpayments and credit notes from prior periods (pre 31 July 2016). Although unlikely, a legal opinion was sought and the possibility exists that students could claim a refund for overpayments less than 6 years old.

Regent's University London

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2018

19. Pensions

The group contributes a defined amount to specified personal policies taken out by eligible employees. Contributions are charged as incurred. There were outstanding contributions in relation to the group and the charitable company amounting to £147,824 as at the balance sheet date (31 July 2017: £150,571). Pension costs during the period were £1,742,000 (31 July 2017: £1,874,000).