

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

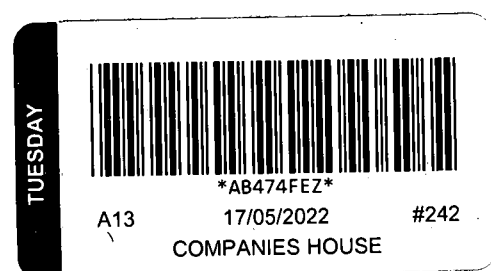
(The company's name changed from
Regent's University London on 29 September 2020)

AMENDED REPORT AND FINANCIAL STATEMENTS

31 July 2021

Charity No. 291583

Company Registration No. 01791760



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

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The Inner Circle Educational Trust

(formerly Regent's University London)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Dr Diana Walford CBE – Chair
Alison Alden OBE – Deputy Chair – resigned 22 January 2021
David Barker – resigned 29 October 2020
David Barnes
Kenneth Batty
Carol Burns
Rachel Clarke
Sir Graeme Davies – resigned 9 December 2020
Marguerite Dennis – resigned 24 March 2021
Matthias Feist – Professional Staff Trustee - resigned 26 October 2020
Elizabeth Jenkins
Mary Kerr – resigned 9 December 2020
Dominic Laffy – Academic Staff Trustee – resigned 9 December 2020
Dominic O'Rourke – resigned 9 December 2020
Martin Potter – resigned 9 December 2020
Roselyn Schofield – resigned 23 June 2021
Pascal Senn – Student Union President – resigned 29 April 2021
Vimmi Singh
Professor Geoff Smith - Vice-Chancellor & CEO of Regent's University London – resigned 9 December 2020

The members of the Board of Trustees are elected by a simple majority of the Trustees themselves. All the Trustees are Directors of the charitable company. After the transfer of its university business to Galileo Global Education UK Limited ("Galileo") on 29 September 2020, in keeping with the reduced size and change of function, some Trustees stepped down. No new trustees were appointed during the financial year. The Charity no longer operates any committees. All decisions are taken collectively by the Board. As at 31 July 2021 there were seven Trustees. There are no employees.

Dr Diana Walford CBE – Chair
Kenneth Batty – Deputy Chair
David Barnes
Carol Burns
Rachel Clarke
Elizabeth Jenkins
Vimmi Singh

Secretary

Richard Reger FCIS – resigned 31 July 2021

Registered Office and Principal Address – until 31 July 2021
Inner Circle, Regent's Park, London, NW1 4NS

Registered Office and Principal Address – from 1 August 2021
85 Great Portland Street, London W1W 7LT

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LEGAL AND ADMINISTRATIVE INFORMATION

External Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Solicitors – until 28 September 2020

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 – until September 2020
12 Moorgate
London
EC2R 6DA

Baring Asset Management Ltd – until August 2020

PO Box 55736
50 Bank Street
Canary Wharf
London
E14 1BT

Insurance Brokers

Marsh Limited
International House
Southampton International Business Park
George Curl Way
Southampton
SO18 2RZ

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TRUSTEES' REPORT

The Trustees of The Inner Circle Educational Trust ("the Charity") present their Trustees' Report and financial statements for the year ended 31 July 2021. The attached financial statements are amended accounts. They replace the previously filed accounts of the Charity and are now the statutory accounts. The accounts have been prepared as they were at the date of the original accounts.

The Charity was founded in 1984 and is a company limited by guarantee, not having a share capital (company number 1791760). The Charity is registered at the Charity Commission under Charity number 291583. It is governed by its Articles of Association. Until 29 September 2020, the Charity operated a leading, independent, not-for-profit, university, providing a high-quality teaching environment to develop internationally aware, innovative and employable graduates. It was a registered English Higher Education Provider with the Office for Students (OfS) (UKPRN 10003331).

The Government-enforced lock-down from March 2020 resulted in Regent's University London ("the University") moving the provision of teaching on-line and almost all teaching and professional staff moved to remote working. Whilst this was a successful transition, the financial implications for the University were very significant in the year ended 31 July 2020.

In the light of a thorough options appraisal, and with the support of professional advisors, the Board resolved, in principle, at its meeting on 30 July 2020, that the best option in the interests of its stakeholders, particularly its students, was to transfer its university assets and undertakings to Galileo. This decision was taken with the knowledge and assent of the Charity Commission and the Office for Students.

A Transfer Agreement was signed on 7 August 2020 and on 29 September 2020 the transfer of the University business took place. From 29 September 2020, therefore, the Charity fell below the large company thresholds (however it remains classified as large for Companies Act purposes having exceeded the thresholds last year). The financial statements have been prepared in line with the Charities SORP (FRS 102) (Second Edition, FRS 102) and the Companies Act 2006 (except for the requirement to comply with the requirements for large companies, including the need to prepare a Strategic Report, as set out in the Principal Accounting Policies).

Objectives, activities and future plans

Charitable Objects

Up until the transfer of its university business on 29 September 2020, the Objects of the Charity, as set out in the Articles of Association (revised 22 May 2013), were the advancement of education for the public benefit and the foundation, maintenance and support of a university or universities and other educational colleges or institutions for students, both male and female, to include residential accommodation and all necessary and proper ancillary services for such establishment. The Trustees have had due regard to the Charity Commission guidance on public benefit. Following the transfer, the Objects of the Charity are:

The advancement of education for the public benefit.

Transfer of Regent's University London

Between 1 August and 28 September 2020, the Charity concluded all the steps needed to transfer the University business to Galileo. Under the terms of the Transfer Agreement, as subsequently amended by a Deed of Variation of 9 December 2020, the sum of £1m was retained by ICET as unrestricted funds. In recognition that the Transfer Agreement contained a mechanism to increase payment to the Trust should student numbers in Autumn 2020 be stronger than anticipated by a specified date, and that enrolments had been later than anticipated because of Covid-19, Galileo made a goodwill payment to ICET of £400,000. This payment was made in accordance with a Deed of Gift of 11 January 2021, as a restricted fund to be spent to the benefit of Regent's students. The funding situation before and after the transfer of the university business is shown in the Financial Highlights Table below.

Results for the Period

The financial activities for the year ended 31 July 2021, as summarised in the 'Financial Highlights' table below, comprise two distinct periods:

- The period 1 August 2020 – 29 September 2020 during which the Charity operated Regent's University.

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- The period after 29 September 2020 (after which time the Charity was known as The Inner Circle Educational Trust).

The Charity's total income for the year was £0.8m compared with £41.6m for the year ended 31 July 2020. The significant reduction in income is due to the transfer of the University business to Galileo on 29 September 2020. The financial statements include the activity of the University up to 29 September 2020 which is shown as a discontinued activity in line with the requirements of Financial Reporting Standard 102. The total income for the year in the Statement of Financial Activities is lower than as shown in the summary 'Financial Highlights'.

Financial Activities and Results

Financial Highlights

| | <i>Inner Circle Educational Trust</i> | <i>Regent's University London</i> |
|---|---|--|
| | <i>29 September 2020 – 31 July 2021</i> | <i>1 August 2020 – 29 September 2020</i> |
| | <i>£'000s</i> | <i>£'000s</i> |
| RESULTS, CASHFLOWS AND RESERVES | | |
| Restricted donations | 400 | - |
| Amounts received in connection with the transfer of Regent's University | 1,006 | - |
| Other income | 2 | 386 |
| Total income | 1,408 | 386 |
| Total Expenditure | (115) | (6,313) |
| Gain on investments | - | 52 |
| Transfer of University business | - | (6,117) |
| Net movement in funds | 1,293 | (11,992) |
| Funds brought forward | - | 11,992 |
| Funds carried forward | 1,293 | - |
| Funds carried forward comprise: | | |
| Cash | 1,404 | - |
| Creditors | (111) | - |
| Net assets | 1,293 | - |
| Net assets relate to the following funds: | | |
| Unrestricted funds | 984 | - |
| Restricted funds | 309 | - |
| Net assets | 1,293 | - |

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Activities and plans following transfer of Regent's University

Two activities have dominated the work of the Charity post-transfer of its University business to Galileo. The first has been the application of the restricted bursary funding to support access to Regent's University London of applicants whose financial circumstances have been adversely affected by Covid-19. In accordance with the requirements of the Charity Commission, none of the financial support provided through the bursary scheme has been applied to discount the fees charged by the University. The funds have been awarded to support cost of living (accommodation packages) or technical or other materials needed to support the intending students' course work. Support was also made available to new overseas students faced with additional costs of travel, including the need for quarantine.

The second major activity of the Charity is work on developing a strategy for its philanthropic activities, using the unrestricted funding. A social business specialising in the support of charities (Cause4) has been engaged to undertake a review of the grant-making opportunities in the higher education field, with specific emphasis on defining the communities in the Camden and Westminster localities we should prioritise for support, such as refugees or those living in poverty. This work will inform the Charity's strategic direction for the next decade and beyond. This is a work in progress. Once the areas of need have been defined, an implementation plan for grant-funding will be developed, together with appropriate investment and reserves policies.

The Charity did not fund-raise from members of the public in the current or previous accounting period.

Reserves and Strategic Risks

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

Prior to the transfer of the University, Covid-19 was recognised as a major risk to the University's future operation as a going concern, because of its impact on student fee income. Following the transfer, this was no longer a risk. At 31 July 2021 the Charity held £309k of restricted funds (31 July 2020: £nil). The remainder of the reserves of the Charity are unrestricted funds. At 31 July 2021 they amounted to £984k (31 July 2020: £12.0m). All of this is freely available. At 31 July 2020, only £2.2m was freely available because the balance was invested in fixed assets.

Investment Policy

Prior to the transfer of the University's business, investments were held with Cazenove Capital Management and Barings Asset Management. Due to the change in ownership of the University, the investments were liquidated. At 31 July 2021, all liquid assets were held in cash. As part of the strategic planning process, the Trustees will determine a suitable investment policy.

Grant-making Policy

Since the transfer of the University business, the Charity provides support to students of Regent's University London. There are a number of packages available to students being a Creative package, Travel package, Tech package and Accommodation package. Each application is considered individually taking into account the supporting information provided by the student and the initial assessment of the application that has been made.

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Risk Management

The Board of Trustees is ultimately responsible for the system of risk management and for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The role of the Board of Trustees is to provide strategic oversight of the Charity within a framework of prudent and effective controls which enables risk to be assessed and managed. Prior to 29 September 2020, it maintained its risk management and internal control systems through regular reports to the Board and through the annual report to the Board. The Audit & Risk Committee was also responsible for defining the level of risk appetite for the Charity.

Given that the risk profile of the Charity has changed markedly since the transfer, work is in progress to define a risk management policy, and processes and mechanisms for identifying, assessing, monitoring and managing risk. The Board has defined its strategic risks, which are set out below, and each risk will be recorded on the strategic risk register and given a rating according to the likelihood and impact of the risk occurring. The strategic risk register will be in place early in 2022 and the risks will be regularly reviewed and actively managed according to their severity.

Principal risks and uncertainties

Prior to the transfer, the principal risks faced by the Charity were:

- 1) The University fails to differentiate itself and adapt to meet the expectations of a changing higher education market, leading to a reduction in student demand and enrolment.
- 2) Failure of internal systems and processes to develop and maintain a portfolio of programmes that attracts students and meets their expectations and high standards of academic quality.
- 3) Failure to recruit students to budget leads to unplanned loss of income.

In response to the Covid-19 pandemic, the University quickly moved to provide teaching on-line with all but a few staff working from home. However, it soon became apparent that Regent's student fee income was at particular risk because a high proportion of its students were from overseas. The Board considered that the impact of the Covid-19 pandemic presented such a risk to the future of the University, that it had to seek external financial support. As explained above, this resulted in the transfer of the University business to Galileo.

Following the transfer of the university business, the principal risks are:

1. Non-compliance with charitable objectives, laws, fiduciary duties, applicable regulations
2. Fraud
3. Failure to develop a suitable investment policy
4. Poor execution of disbursement and monitoring of charitable funds
5. Poor choice of target populations for funding
6. Poor choice of delivery partners

Structure, governance and management

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

The Board of Trustees met formally at least four times a year and had complete responsibility for the stewardship of the Charity's assets; its members focused on strategic decision making and ensuring adherence to its charitable objectives, whilst delegating day-to-day operational responsibilities to the Vice-Chancellor & Chief Executive Officer and the Directorate as the executive management team.

Until 29 September 2020, seven committees of Trustees carried out certain tasks within specific terms of reference as follows:

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

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

At 31 July 2021, the Board of Trustees comprised seven Trustees.

Financial and Board governance and administrative services for the financial year were provided by Regent's University London under the terms of a service agreement between the parties. This agreement terminated on 31 July 2021.

Following the transfer of the university business, the Charity has no staff and all decisions are taken by the Trustees.

Recruitment of Trustees

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.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Inner Circle Educational Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulation. As set out in the Principal Accounting Policies, the Trustees have not complied with the requirements in relation to large company reporting on the grounds that they do not consider that the information provided would be meaningful to users of the financial statements given the considerable reduction in activity following the transfer of the university business on the 29th of September 2020.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and

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- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the Trustees are aware:

- There is no relevant audit information of which the Charity'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.

Haysmacintyre LLP were appointed as statutory auditor following a competitive tender process. Haysmacintyre LLP has indicated its willingness to continue in office.

This report was approved by the Board of Trustees on 23 February 2022.

Diana Walford

Dr Diana Walford
Chair of Trustees

Independent auditors' report to the Trustees of The Inner Circle Educational Trust

Opinion

We have audited the financial statements of The Inner Circle Educational Trust for the year ended 31 July 2021 which comprise the statement of financial activities, balance sheet, 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 charitable company's affairs as at 31 July 2021 and of the charitable company's net movement in funds, including the income and expenditure, 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 Charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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 auditors' report to the Trustees of The Inner Circle Educational Trust

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 Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report) except for the decision by the trustees of the charitable company not to follow the requirements of the Companies Act 2006 for large companies as explained in the Principal Accounting Policies.

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 charitable company; or
- the charitable company 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 7 and 8, 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 charitable company'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 charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and industry, we identified that the principal risks of non-compliance with laws and regulations related to company law and Charity law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and Charities Act 2011.

Independent auditors' report to the Trustees of The Inner Circle Educational Trust

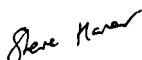
We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and revenue recognition. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of noncompliance with laws and regulation and fraud;
- Inspecting correspondence with regulators.
- Evaluating management's controls designed to prevent and detect irregularities;
- Evaluating controls relevant to the preparation of the financial statements;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Harper (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 4th March 2022

10 Queen Street Place
London
EC4R 1AG

The Inner Circle Educational Trust

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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 July 2021

| | | Operation of Inner Circle Educational Trust | | | Operation of Regent's University London | Total funds |
|---|-------|--|--|--|--|-----------------|
| | Notes | Continuing activities - Restricted £000 | Continuing activities - Unrestricted £000 | Continuing activities - Total £000 | Discontinued activities £000 | 2021 £000 |
| Income from: | | | | | | |
| Tuition fees | 1 | - | - | - | 146 | 146 |
| Other income | 2 | - | - | - | 228 | 228 |
| Investment income | 3 | - | - | - | 12 | 12 |
| Donations and endowments | 4 | 400 | 2 | 402 | - | 402 |
| Total Income | | 400 | 2 | 402 | 386 | 788 |
| Expenditure on: | | | | | | |
| Charitable Activities | | | | | | |
| <i>Operation of Regent's University:</i> | | | | | | |
| Staff costs | 5 | - | - | - | 3,431 | 3,431 |
| Other operating expenses | 7 | - | 20 | 20 | 2,449 | 2,469 |
| Depreciation | 10 | - | - | - | 431 | 431 |
| Interest and other finance costs | 6 | - | - | - | 2 | 2 |
| <i>Student support costs</i> | | 91 | 4 | 95 | - | 95 |
| Total Expenditure | | 91 | 24 | 115 | 6,313 | 6,428 |
| Net (expenditure)/income before movements on investment and transfer of University | | 309 | (22) | 287 | (5,927) | (5,640) |
| (Loss)/gain on investments | | - | - | - | 52 | 52 |
| Transfer of University business | | - | 1,006 | 1,006 | (6,117) | (5,111) |
| Net (expenditure)/income | | 309 | 984 | 1,293 | (11,992) | (10,699) |
| Transfers between funds | | - | - | - | - | - |
| Net movement in funds | | 309 | 984 | 1,293 | (11,992) | (10,699) |
| Total funds brought forward | | - | - | - | 11,992 | 11,992 |
| Total funds carried forward | | 309 | 984 | 1,293 | - | 1,293 |

On 29 September 2020 the University business was transferred to Galileo Global Education UK Limited. Accordingly it is shown above as a discontinued activity. All discontinued activities relate to unrestricted funds. The accompanying accounting policies and notes 1 to 21 form an integral part of these financial statements.

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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 July 2020

| | Notes | Continuing activities £000 | Discontinued activities £000 | Total funds 2020 £000 |
|---|-------|-------------------------------|---------------------------------|-----------------------------|
| Income from: | | | | |
| Tuition fees | 1 | - | 37,548 | 37,548 |
| Other income | 2 | - | 3,667 | 3,667 |
| Investment income | 3 | - | 254 | 254 |
| Donations and endowments | 4 | - | 129 | 129 |
| Total Income | | - | 41,598 | 41,598 |
| Expenditure on: | | | | |
| Charitable Activities | | | | |
| <i>Operation of Regent's University:</i> | | | | |
| Staff costs | 5 | - | 21,015 | 21,015 |
| Other operating expenses | 7 | - | 24,049 | 24,049 |
| Depreciation | 10 | - | 2,969 | 2,969 |
| Interest and other finance costs | 6 | - | 13 | 13 |
| Student support costs | | - | - | - |
| Total Expenditure | | - | 48,046 | 48,046 |
| Net (expenditure)/income before movements on investment and transfer of University | | - | (6,448) | (6,448) |
| (Loss)/gain on investments | | - | (408) | (408) |
| Loss on disposal of fixed assets | | - | (392) | (392) |
| Transfer of University business | | - | - | - |
| Net (expenditure)/income | | - | (7,248) | (7,248) |
| Transfers between funds | | - | - | - |
| Net movement in funds | | - | (7,248) | (7,248) |
| Total funds brought forward | | - | 19,240 | 19,240 |
| Total funds carried forward | | - | 11,992 | 11,992 |

All income, expenditure and funds during the year ended 31 July 2020 was unrestricted.

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BALANCE SHEET

As at 31 July 2021

| | Notes | 31 July 2021 £000 | 31 July 2020 £000 |
|--|-------|-------------------------|-------------------------|
| Fixed Assets | | | |
| Tangible assets | 9 | - | 9,823 |
| Investments | 10 | - | 6,741 |
| | | <u>-</u> | <u>16,564</u> |
| Current Assets | | | |
| Stock | | - | 30 |
| Debtors | 11 | - | 3,104 |
| Short term deposits | | - | 1 |
| Cash at bank and in hand | | 1,404 | 2,166 |
| | | <u>1,404</u> | <u>5,301</u> |
| Current Liabilities | | | |
| Creditors: amounts falling due within one year | 12 | (111) | (6,100) |
| Net Current Assets/(Liabilities) | | <u>1,293</u> | <u>(799)</u> |
| Long Term Liabilities | | | |
| Creditors: amounts falling due after one year | 13 | - | (240) |
| Provision for Liabilities | | | |
| Other provisions | 14 | - | (3,533) |
| TOTAL NET ASSETS | | <u><u>1,293</u></u> | <u><u>11,992</u></u> |
| Reserves: | | | |
| Unrestricted reserves | | 984 | 11,992 |
| Restricted reserves | | 309 | - |
| TOTAL RESERVES | | <u><u>1,293</u></u> | <u><u>11,992</u></u> |

The financial statements on pages 20 to 30 were approved by the Board on 23 February 2022 and signed on its behalf by

Diana Walford

Dr Diana Walford
Trustee

Company number 1791760

The accompanying accounting policies and notes 1 to 21 form an integral part of these financial statements.

The Inner Circle Educational Trust

(formerly Regent's University London)

STATEMENT OF CASH FLOWS

for the year ended 31 July 2021

| | Year ended 31 July 2021 £000 | Year ended 31 July 2020 £000 |
|--|------------------------------------|------------------------------------|
| Cash flow from operating activities | | |
| Deficit for the year | (10,699) | (7,248) |
| Adjustment for non-cash items | | |
| Depreciation | 431 | 2,969 |
| Amortisation of intangibles | - | - |
| Loss/(gain) on investments | (52) | 408 |
| Loss on disposal of tangible fixed assets | 9,397 | 392 |
| Decrease/(increase) in stock | 30 | (6) |
| Decrease in debtors | 3,104 | 361 |
| (Decrease)/increase in creditors | (6,229) | (2,222) |
| (Decrease)/Increase in provisions | (3,533) | 3,533 |
| Asset Impairment | - | 1,740 |
| Adjustment for investing or financing activities | | |
| Investment income | (12) | (254) |
| Interest charged on finance leases | 2 | 13 |
| Investment fund management charges | - | 17 |
| Net cash (outflow)/inflow from operating activities | (7,561) | (297) |
| Cash flow from investing activities | | |
| Proceeds from sales of investments | 6,788 | 1,267 |
| Payments to acquire tangible fixed assets | - | (1,535) |
| Payments to acquire investments | - | (1,483) |
| Interest received | - | 38 |
| Dividends received | 12 | 216 |
| Net Cash Outflow from investing activities | 6,800 | (1,497) |
| Cash flow from financing activities | | |
| Interest paid on finance leases | (2) | (13) |
| Capital element of finance lease repayments | - | (72) |
| New finance leases | - | 386 |
| Net Cash Outflow from financing activities | (2) | (301) |
| Decrease in cash and cash equivalents in the year | (763) | (1,493) |
| Cash and cash equivalents at beginning of the year | 2,167 | 3,660 |
| Cash and cash equivalents at end of the year | 1,404 | 2,167 |

The Inner Circle Educational Trust

(formerly Regent's University London)

STATEMENT OF CASH FLOWS

for the year ended 31 July 2021

| | Year ended 31 July 2020 £000 | Cashflows £000 | Year ended 31 July 2021 £000 |
|--|------------------------------------|-------------------|------------------------------------|
| Cash and cash equivalents comprise: | | | |
| Cash at bank and in hand | 2,166 | (762) | 1,404 |
| Short term deposits | 1 | (1) | - |
| | <u>2,167</u> | <u>(763)</u> | <u>1,404</u> |

The accompanying accounting policies and notes 1 to 21 form an integral part of these financial statements.

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

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2021

Basis of preparation

The Inner Circle Educational Trust is a company limited by guarantee incorporated in the United Kingdom and registered in England & Wales under the Companies Act 2006.

In previous years, the financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2020 and in accordance with Financial Reporting Standard FRS 102. Following the transfer of the assets and undertaking of the University to Galileo Global Education UK Limited on 29 September 2020, the trustees have reassessed the basis of preparation. Based on the activities of the Charity subsequent to the transfer, it has been determined by the trustees that it would be more appropriate to utilise Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)—(Charities SORP (FRS 102)). Accordingly, the trustees have adopted the methods, principles and presentation of the Charities SORP (FRS 102) and prior year figures have been presented on the same basis. In making the transition to the Charities SORP (FRS 102) the presentation of the primary statements and notes to the accounts has been amended to reflect the requirements and presentation of the Charities SORP (FRS 102) however there is no impact on the net results for the year ended 31 July 2020 or the net assets at 31 July 2020.

Furthermore, in previous years, the financial statements incorporated the results of four subsidiary undertakings (Inner Circle Marylebone Limited, Regent's Conferences & Events Ltd, European Business School (London) Limited and Inner Circle Business School London Limited). As part of the transfer of the University business, ownership and control of the active subsidiaries passed to Galileo Global Education UK Limited. At 31 July 2021, the Charity had no active subsidiary undertakings and both entities were dormant. In accordance with the requirements of FRS 102, the financial statements are for the Charity only and the comparative information is presented on the same basis.

In line with the requirements of the Charities SORP (FRS 102) the operations of the University are shown as discontinued operations. All activities during the year ended 31 July 2020 relate to discontinued operations.

They have been prepared in accordance with the Companies Act 2006, except that the requirements of the Companies Act 2006 for large companies have not been followed. The Charity is a large company by virtue of the level of income, assets and staff during the previous financial year. Following the transfer of the university business, the level of activity is significantly lower and the Charity is now significantly below the large company size thresholds. Therefore, in the opinion of the Trustees, the disclosures required by large companies would not provide information which is useful to users of the accounts. Furthermore, given the transfer of the university business from 29th September 2020, the Trustees do not consider that the presentation of such information would be meaningful.

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

Going concern

The financial statements have continued to be prepared on going concern basis following completion of the transfer of assets and undertakings on 29 September 2020. Following the transfer, the Charity received £1m of unrestricted funding and a restricted donation of £0.4m. The Charity will disburse funds to meet its charitable objects but retain a minimum level of reserves to meet financial obligations. Currently, the Charity has no financial liabilities except for student support payment accrued at the year end. Therefore the Trustees consider the preparation of these financial statements on a going concern basis to be appropriate.

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.

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

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2021

Donations

Donations with no restrictions are recognised in income when the Charity is entitled to the funds, receipt is probable and the donation can be measured with reasonable accuracy.

Expenditure and irrecoverable VAT

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

Grant awards made in relation to student support are recognised when there is a constructive obligation – i.e. the beneficiary has been notified of the award and has a reasonable expectation of receipt.

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

Tangible Fixed Assets and Depreciation

Tangible fixed assets costing more than £5,000 individually or in total as part of a project are capitalised and are stated at historic cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

| | | |
|------------------------------|---|---------------------|
| Short leasehold improvements | - | 10% per annum |
| Computer equipment | - | 10% - 20% per annum |
| Plant and machinery | - | 20% - 33% per annum |
| Fixtures and Fittings | - | 20% - 33% per annum |
| Motor vehicles | - | 25% per annum |

Investments

Investments, other than investments in subsidiary undertakings, are stated at market value. Gains and losses on re-measurement are recognised in surplus or deficit for the period.

Pensions

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

Foreign Currencies

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

Taxation Status

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

The Inner Circle Educational Trust receives no similar exemption in respect of value added tax (VAT) and VAT is not fully recoverable by the Charity.

Operating Leases

Rental costs in respect of operating leases are charged to statement of financial activities on a straight-line basis over the lease term.

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

PRINCIPAL ACCOUNTING POLICIES

for the year ended 31 July 2021

Finance Leases

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

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

Holiday pay accrual

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

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Trustees consider that there are no significant judgements or areas which are subject to a high degree of estimation uncertainty.

The activities of the Charity have changed substantially following the transfer of the University and there are no significant judgements and estimates relevant to the preparation of the financial statements. In the prior year, there were a number of significant judgements and areas of estimation uncertainty relevant to the financial statements:

Sources of judgement:

- Determine whether there are indicators of impairment of the Charity's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- The decision to relocate activity from the sites in Marylebone to the Park Campus resulted in these assets no longer being used by the University and the recognition of both an impairment of fixed assets, a provision for an onerous lease and dilapidation costs in the year ended 31 July 2020. The impairment of fixed assets was £1.7m based on the net book value of fixed assets at the date the University ceased to use the Marylebone estate. The onerous lease provision of £2.9m represents the discounted cost of future lease payments up to the break-point in the lease and the dilapidations provision of £0.8m is based on an independent surveyor's report. The leases and associated liabilities were transferred to Galileo Global Education UK Limited on transfer of the University business.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 9)
Tangible fixed assets were depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Following the transfer of the University business there are no fixed assets.
- Trade debtors (see note 11)
The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed annually, on an individual debtor basis, to consider whether each debt is recoverable and estimate a value for irrecoverable debtors.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

1. Tuition Fee Income

| | Year ended 31 July 2021 £000 | Year ended 31 July 2020 £000 |
|-------------------------------|------------------------------------|------------------------------------|
| Tuition and registration fees | 146 | 37,572 |
| Exchange (loss)/gain | - | (24) |
| | <u>146</u> | <u>37,548</u> |

The turnover of the Charity during the year was all derived in the same geographical area.

2. Other Income

| | Year ended 31 July 2021 £000 | Year ended 31 July 2020 £000 |
|-----------------------|------------------------------------|------------------------------------|
| Residences & Catering | 27 | 2,457 |
| Rental and Room Hire | 33 | 216 |
| Central services | - | 494 |
| Trips & Excursions | - | 10 |
| Car Park | 2 | 36 |
| Furlough grant | 107 | 394 |
| Other | 59 | 60 |
| | <u>228</u> | <u>3,667</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

3. Investment Income

| | Year ended 31 July 2021 £000 | Year ended 31 July 2020 £000 |
|--------------------------|------------------------------------|------------------------------------|
| Bank interest receivable | - | 38 |
| Dividend income | 12 | 216 |
| | <u>12</u> | <u>254</u> |

4. Donations and endowments

| | Year ended 31 July 2021 £000 | Year ended 31 July 2020 £000 |
|------------------------|------------------------------------|------------------------------------|
| Unrestricted donations | 2 | 129 |
| Restricted donations | 400 | - |
| | <u>402</u> | <u>129</u> |

5. Employees

| | Year ended 31 July 2021 No. | Year ended 31 July 2020 No. |
|--|-----------------------------------|-----------------------------------|
| The average number of persons (excluding Trustees) employed during the year was: | | |
| Total average employees | <u>82</u> | <u>406</u> |

Following the transfer of Regent's University, the Charity does not employ staff. Average staff employed for the period to September 2021 was 492.

| | Year ended 31 July 2021 £000 | Year ended 31 July 2020 £000 |
|------------------------------------|------------------------------------|------------------------------------|
| Staff costs for the above persons: | | |
| Wages and salaries | 2,914 | 17,529 |
| Social security costs | 283 | 1,764 |
| Other pension costs | 223 | 1,651 |
| Apprenticeship levy | 11 | 71 |
| | <u>3,431</u> | <u>21,015</u> |

The above includes £51,169 (2020: £49,638) costs for redundancy.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

5. Employees (continued)

| | Year ended 31 July 2021 £000 | Year ended 31 July 2020 £000 |
|---|------------------------------------|------------------------------------|
| Key Management Personnel remuneration: | | |
| Trustees' remuneration | 70 | 368 |
| Directorates' remuneration * | 114 | 868 |
| Total compensation paid to Key Management Personnel | <u>184</u> | <u>1,236</u> |

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

8 Key Management Personnel including 4 staff Trustees were remunerated in the year (2020: 12 Key Management Personnel including five staff Trustees). Remuneration to Trustees was in respect of their substantive role as employees of the Charity. No remuneration was received in their role as Trustees. One trustee was reimbursed for travel and subsistence expenses for attending meetings during the year (2020: six Trustees). The aggregate amount reimbursed was £130 (2020: £9,943).

Severance payments amounting to £nil (2020: £155,733) were made to nil (2020: two) Key Management Personnel in the year.

| | Year ended 31 July 2021 No. | Year ended 31 July 2020 No. |
|--|-----------------------------------|-----------------------------------|
| The number of employees with remuneration excluding pension costs of £60,000 or more during the period were: | | |
| £60,000 – £69,999 | - | 24 |
| £70,000 – £79,999 | - | 4 |
| £80,000 – £89,999 | - | 3 |
| £90,000 – £99,999 | - | 1 |
| £100,000 – £109,999 | - | 3 |
| £130,000 – £139,999 | - | 2 |
| £150,000 – £159,999 | - | 1 |
| £200,000 – £209,999 | - | 1 |
| £210,000 – £219,999 | - | 1 |
| | <u>-</u> | <u>40</u> |

The Inner Circle Educational Trust
(formerly Regent's University London)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

6. Interest and other finance costs

| | Year ended 31 July 2021 £000 | Year ended 31 July 2020 £000 |
|-----------------------|------------------------------------|------------------------------------|
| Finance lease charges | 2 | 13 |
| | <u>2</u> | <u>13</u> |

7. Analysis of other operating expenses

| | Year ended 31 July 2021 £000 | Year ended 31 July 2020 £000 |
|----------------------------------|------------------------------------|------------------------------------|
| Academic departments | 3 | 582 |
| Academic support | 189 | 1,149 |
| Student services | 34 | 2,262 |
| Governance | 276 | 447 |
| Support costs (central services) | 1,228 | 3,706 |
| Estates | 485 | 13,869 |
| ITS and MIS | 255 | 1,316 |
| Bad debts | (1) | 220 |
| Conferencing | - | - |
| Bursaries and scholarships | - | 498 |
| | <u>2,469</u> | <u>24,049</u> |

Bursaries and scholarships included in the note above relate to support for students during the period in which the Charity operated Regent's University. Support to students following the transfer has been shown separately as a charitable activity on the face of the Statement of Financial Activities to reflect the change in activities. Grants are made in support of students of Regent's University during the year ended 31 July 2021. Grants were committed for 17 students at Regent's University for a total of £94,750.

| | Year ended 31 July 2021 £000 | Year ended 31 July 2020 £000 |
|---|------------------------------------|------------------------------------|
| Other operating expenses include: | | |
| Operating lease rental – land and buildings | 765 | 4,629 |
| Auditor's remuneration | | |
| Audit services – Charity | 20 | 76 |
| Amounts paid to previous auditors | 18 | - |
| Other services – US loans audit | - | 6 |
| – Acquisition related | - | 175 |
| Internal audit | - | 35 |
| Depreciation | 431 | 2,969 |

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

8. (Loss)/Gain on investments

| | Year ended 31 July 2021 £000 | Year ended 31 July 2020 £000 |
|---|------------------------------------|------------------------------------|
| Realised gain on investments | 55 | 71 |
| Decrease in market value of investments | (3) | (479) |
| | <u>52</u> | <u>(408)</u> |

9. Tangible Assets

| | Short leasehold improvements £000 | Computer equipment £000 | Plant and machinery £000 | Fixtures and fittings £000 | Motor vehicles £000 | Total £000 |
|-------------------------------------|--|-------------------------------|--------------------------------|----------------------------------|---------------------------|---------------|
| Cost | | | | | | |
| 1 August 2020 | 21,771 | 8,306 | 302 | 2,337 | 61 | 32,777 |
| Disposals | (21,771) | (8,306) | (302) | (2,337) | (61) | (32,777) |
| 31 July 2021 | - | - | - | - | - | - |
| Accumulated Depreciation | | | | | | |
| 1 August 2020 | 14,321 | 6,554 | 223 | 1,795 | 61 | 22,954 |
| Disposals | (14,597) | (6,657) | (234) | (1,836) | (61) | (23,385) |
| Charged in the year | 276 | 103 | 11 | 41 | - | 431 |
| 31 July 2021 | - | - | - | - | - | - |
| Net book value | | | | | | |
| 31 July 2021 | - | - | - | - | - | - |
| 31 July 2020 | 7,450 | 1,752 | 79 | 542 | - | 9,823 |

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

10. Investments

| | 31 July 2021 £000 | 31 July 2020 £000 |
|--------------------------------------|----------------------|----------------------|
| Listed investments and cash deposits | - | 6,736 |
| Investment in shares | - | 5 |
| | <u>-</u> | <u>6,741</u> |

| | 31 July 2021 £000 | 31 July 2020 £000 |
|--|----------------------|----------------------|
| Quoted investments and cash deposits: | | |
| Market value at 1 August 2020 | 6,736 | 6,945 |
| Less: Disposals at original cost (proceeds £6,794k; gain £55k) | (6,739) | (1,196) |
| Management fees | - | (17) |
| Add : Acquisitions at cost | - | 1,483 |
| Gain/(loss) on revaluation at 31 July 2021 | 3 | (479) |
| Market value at 31 July 2021 | <u>-</u> | <u>6,736</u> |

| | Quoted investments £000 | Cash deposits £000 | Total £000 |
|---|-------------------------------|-----------------------|---------------|
| Market value: | | | |
| Investment assets in the UK | - | - | - |
| Investment assets outside the UK | - | - | - |
| 31 July 2021 | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Investment assets in the UK</i> | 5,926 | 149 | 6,075 |
| <i>Investment assets outside the UK</i> | 661 | - | 661 |
| 31 July 2020 | <u>6,587</u> | <u>149</u> | <u>6,736</u> |

Historic cost of the above investments was:

| | | | |
|--------------|--------------|------------|--------------|
| 31 July 2021 | <u>-</u> | <u>-</u> | <u>-</u> |
| 31 July 2020 | <u>6,245</u> | <u>149</u> | <u>6,394</u> |

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

10. Investments (continued)

Investment in shares:

| | 31 July 2021 £ | 31 July 2020 £ |
|---|-------------------|-------------------|
| Groupement Europeen D'Interet Economique Groupe EBSI (GEIE) | - | 4,676 |

| | 31 July 2021 £ | 31 July 2020 £ |
|-------------------------|-------------------|-------------------|
| Subsidiary undertakings | 11 | 13 |

The Charity held more than 20% of the equity of the following companies at 31 July 2021:

| Name of company | Class of holding | Proportion held | Nature of business |
|---|-----------------------|-----------------|--------------------|
| Inner Circle Marylebone Limited | 1 ordinary £1 shares | 100% | Dormant |
| European Business School (London) Limited | 10 ordinary £1 shares | 100% | Dormant |

As part of the transfer of the University business, the Charity disposed of its interest in the following entities during the year ended 31 July 2021:

| | | | |
|---|----------------------------|------|------------------------------------|
| Inner Circle Marylebone Limited | 549,999 ordinary £1 shares | 100% | Dormant |
| Regent's Conferences & Events Ltd | 2 ordinary £1 shares | 100% | Provision of conference facilities |
| Inner Circle Business School London Limited | Limited by guarantee | 100% | Dormant |

The Inner Circle Educational Trust
(formerly Regent's University London)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

11. Debtors

| | 31 July 2021 £000 | 31 July 2020 £000 |
|-------------------------------------|----------------------|----------------------|
| Trade debtors | - | 392 |
| Amounts due from group undertakings | - | 517 |
| Other debtors | - | 177 |
| Prepayments and accrued income | - | 2,018 |
| | <u>-</u> | <u>3,104</u> |

12. Creditors: Amounts falling due within one year

| | 31 July 2021 £000 | 31 July 2020 £000 |
|---|----------------------|----------------------|
| Trade creditors | - | 672 |
| Other taxation and social security costs | - | 474 |
| Other creditors | - | 1,811 |
| Student support creditor | 91 | - |
| Obligations under finance lease contracts | - | 74 |
| Accruals and deferred income | 20 | 3,069 |
| | <u>111</u> | <u>6,100</u> |

All income deferred at 31 July 2020 was released during 2021.

13. Creditors: Amounts falling due after one year

| | 31 July 2021 £000 | 31 July 2020 £000 |
|--|----------------------|----------------------|
| Obligations under finance lease contracts: | | |
| Due 12–24 months | - | 77 |
| Due 24–60 months | - | 163 |
| | <u>-</u> | <u>240</u> |

14. Other provisions

| | 31 July 2021 £000 | 31 July 2020 £000 |
|---------------|----------------------|----------------------|
| Onerous Lease | - | 2,685 |
| Dilapidation | - | 848 |
| | <u>-</u> | <u>3,533</u> |

This related to an onerous lease provision and a dilapidation provision, recognised on the basis that there is an expectation of future obligations arising from rent and remedial works to be done on Marylebone properties. It was released in full on transfer of the University business.

The Inner Circle Educational Trust
(formerly Regent's University London)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

15. Commitments and Contingent Liabilities

- i) At 31 July 2021 the Charity had no minimum lease payments under non-cancellable operating leases as set out below:

| | 31 July 2021 £000 | 31 July 2020 £000 |
|--|----------------------|----------------------|
| Not later than 1 year | - | 4,677 |
| Later than 1 year and not later than 5 years | - | 18,709 |
| Later than 5 years | - | 70,583 |
| Total | - | 93,969 |

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

16. Unrestricted funds

| | 1 August 2020 £000 | Income £000 | Expenditure £000 | Transfers, gains & losses £000 | 31 July 2021 £000 |
|----------------------|--------------------------|----------------|---------------------|---|----------------------|
| Current year: | | | | | |
| General Fund: | 11,992 | 433 | (6,382) | (5,059) | 984 |
| Total | 11,992 | 433 | (6,382) | (5,059) | 984 |

| | 1 August 2019 £000 | Income £000 | Expenditure £000 | Transfers, gains & losses £000 | 31 July 2020 £000 |
|----------------------|--------------------------|----------------|---------------------|---|----------------------|
| Previous year | | | | | |
| General Fund: | 19,240 | 41,598 | (48,046) | (800) | 11,992 |
| Total | 19,240 | 41,598 | (48,046) | (800) | 11,992 |

The Inner Circle Educational Trust

(formerly Regent's University London)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

17. Restricted funds

| | 1 August 2020 £000 | Income £000 | Expenditure £000 | Transfers, gains & losses £000 | 31 July 2021 £000 |
|----------------------|--------------------------|----------------|---------------------|---|----------------------|
| Current year: | | | | | |
| | - | 400 | 91 | - | 309 |
| Total | - | 400 | 91 | - | 309 |

| | 1 August 2019 £000 | Income £000 | Expenditure £000 | Transfers, gains & losses £000 | 31 July 2020 £000 |
|----------------------|--------------------------|----------------|---------------------|---|----------------------|
| Previous year | | | | | |
| | - | - | - | - | - |
| | - | - | - | - | - |

In connection with the agreement for the transfer of Regent's University, it was agreed that an amount of £0.4m would be restricted to spending on students of Regent's University.

18. Analysis of net assets between funds

| | Unrestricted Funds £000 | Restricted Funds £000 | 2021 Total Funds £000 |
|-------------------------|-------------------------------|-----------------------------|-----------------------------|
| Current year: | | | |
| Fixed assets | - | - | - |
| Current assets | 1,004 | 400 | 1,404 |
| Current liabilities | (20) | (91) | (111) |
| Non-current liabilities | - | - | - |
| Provisions | - | - | - |
| | 984 | 309 | 1,293 |

| | Unrestricted Funds £000 | Restricted Funds £000 | 2020 Total Funds £000 |
|-------------------------|-------------------------------|-----------------------------|-----------------------------|
| Prior year: | | | |
| Fixed assets | 16,564 | - | 16,564 |
| Current assets | 5,301 | - | 5,301 |
| Current liabilities | (6,100) | - | (6,100) |
| Non-current liabilities | (240) | - | (240) |
| Provisions | (3,533) | - | (3,533) |
| | 11,992 | - | 11,992 |

The Inner Circle Educational Trust

(formerly Regent's University London)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

19. *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.

20. *Related party transactions*

There is no ultimate controlling party of The Inner Circle Educational Trust.

A trustee of The Inner Circle Educational Trust was an advisory board member of CoSector limited and a Key Management Personnel of The Inner Circle Educational Trust was a director of Velocity 400 Limited and London Universities Purchasing Consortium.

Internet connection charges amounting to £10,380 (2020: £76,000) was paid to CoSector Limited, Procurement Manager's services charges amounting to £nil (2020: £35,000) was paid to Velocity 400 Limited and Membership subscription amounting to £2,295 (2020: £2,700) was paid to London Universities Purchasing Consortium during the year. There was £nil balance outstanding at the balance sheet date (2020: £31,140) to CoSector Limited.

During the year, charges amounting to £2,580 (inclusive of VAT) were agreed in relation to work performed by 4D Design Agency Limited in relation to website and IT set-up services. 4D Design Agency Limited is controlled by the husband of Rachel Clarke, a trustee of The Inner Circle Educational Trust. The costs were settled by Regent's University on behalf of The Inner Circle Education Trust and this was subsequently reimbursed by The Inner Circle Educational Trust after 31 July 2021.

Furthermore, it is noted that following the transfer of Regent's University the Charity purchased accounting and administrative support from the University up to 31 July 2021.

There were no other related party transactions in the current or preceding accounting period.

21. *Pensions*

Prior to transfer of the University business, the Charity contributed a defined amount to specified personal policies taken out by eligible employees. Contributions were charged as incurred. There were outstanding contributions in relation to the Charity amounting to £nil as at the balance sheet date (31 July 2020: £146,969). Pension costs during the period were £222,899 (31 July 2020: £1,670,000). Subsequent to the transfer of the University business the Charity does not employ any staff.