

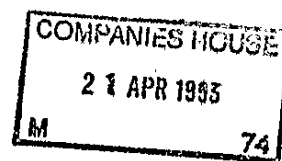
COMPANIES HOUSE

COMPANY NUMBER: 1791760

REGENT'S COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1992



REGENT'S COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1992

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# REGENT'S COLLEGE

## REPORT OF THE COUNCILLORS

### FOR THE YEAR ENDED 31ST AUGUST 1992

1. The Councillors present herewith the audited accounts for the year ended 31st August 1992.
2. The principal activity of the College is that of an institution of higher education offering opportunities for students from Great Britain, America, and other countries to study in London. The College also lets accommodation and provides services to organisations with similar or related interests.
3. The College is a company limited by guarantee, and is a registered charity.
4. Review of the Year

During the year, the results of the college show a consolidation of activities which had commenced during the previous year. Despite the economic uncertainties, the Company has increased income, controlled costs resulting in a small deficit of £12,335 compared to the previous year deficit of £172,566.

This significant improvement in the Company's fortunes has been achieved through a programme of investment in the buildings; for expansion of the conference business to developing the 4 year degree programme where students can spend the first two years at Regent's College.

In the year, the Company incorporated a wholly owned subsidiary called The Regent's College School of Psychotherapy and Counselling Limited, which took control of the activities which were formerly part of Regent's College. This new School has grown in strength and stature, having had its MA Degree Course validated by City University.

Since the year end, the rent review was determined by the independent expert at £933,000 representing an increase approaching 17%-considerably less than the original proposal by the Crown Estate of £2m. The College has made representation to the landlords that the rent should be deferred and a new commercial lease be entered into. During this period of uncertainty with the rent, this has resulted in a number of tenants taking the opportunity of deciding to leave the location and move to alternative premises on rent free periods.

Despite the setback, the outlook of the Company looks increasingly promising as it seeks to bring together the education activities of the campus, combined with the first indications that the economic gloom is beginning to recede where this can only have a favourable impact on the various businesses.

The Council of Management would like to record its sincere appreciation to all members of staff for the hard and committed work they have performed.

#### 5. Reserves

The movement on reserves is shown in note 17 to the financial statements.

#### 6. Fixed Assets

The movement of fixed assets during the year, are set out in note 11 to the accounts.

REGENT'S COLLEGE

REPORT OF THE COUNCILLORS

FOR THE YEAR ENDED 31ST AUGUST 1992

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REGENT'S COLLEGE

REPORT OF THE COUNCILLORS

FOR THE YEAR ENDED 31ST AUGUST 1992

7. Council Members

The Councillors who served during the year are as follows:

Mr D J Langham	Chairman (appointed 24th January 1992)
Mr C S Bunker	
Mr G S Broski	
Mr M Fletcher	(resigned 25th February 1992)
Mr J Dorgan	
Mr M Maladwala	(appointed 22nd April 1992)
Mr Y Makar	(appointed 16th July 1992)

8. Auditors

Messrs Casson Beckman have expressed their willingness to be appointed as auditors at the forthcoming Annual General Meeting.

By order of the Council



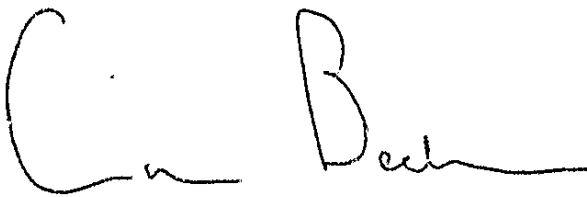
Michael Hughes  
COMPANY SECRETARY

DATED: 1ST MARCH 1993

AUDITOR'S REPORT TO THE MEMBERS OF REGENT'S COLLEGE

We have audited the financial statements on pages 4 to 16 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st August, 1992 and of its loss and cashflow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CASSON BECKMAN  
Chartered Accountants  
and Registered Auditor  
London

DATED: 1ST MARCH 1993

REGENT'S COLLEGE

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST AUGUST 1992

	Notes	<u>1992</u> £	14 months ended 31st August <u>1991</u> £
Turnover	2	4,785,868	5,469,762
Net operating expenses	3	4,744,480	5,552,766
Operating profit/(loss)	4	41,388	(83,004)
Gain/(loss) on exchange		4,818	(25,479)
Interest receivable	5	31,709	58,452
Interest payable	6	(90,250)	(159,021)
(Loss) for year before exceptional item		(12,335)	(209,052)
Exceptional item	7	-	36,486
(Loss) for the year after exceptional item	17	£(12,335) =====	£(172,566) =====

The notes on pages 7 to 16 form part of these accounts.

REGENT'S COLLEGE

BALANCE SHEET

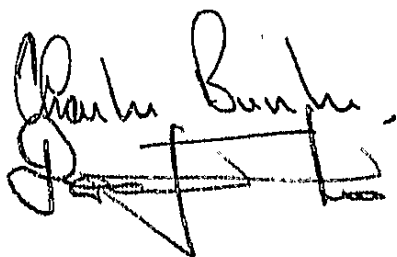
AT 31ST AUGUST 1992

	Notes	1992	1991
		£	£
Fixed assets			
Tangible assets	11	1,756,164	1,895,828
Investments	12	102	100
		<hr/>	<hr/>
		1,756,266	1,895,928
Current assets			
Debtors	13	633,879	604,468
Cash at bank and in hand		102,623	167,348
		<hr/>	<hr/>
		736,502	771,816
Creditors: Amounts falling due within one year	14	1,954,050	2,116,691
		<hr/>	<hr/>
Net current (liabilities)		(1,217,548)	(1,344,875)
		<hr/>	<hr/>
Total assets less current liabilities		£538,718 =====	£551,053 =====
Subordinated loan	16	892,857	892,857
Profit and loss account	17	(354,139)	(341,804)
		<hr/>	<hr/>
		£538,718 =====	£551,053 =====

Approved by the Council on 1st March 1993.

Charles Bunker

Derek Langham



The notes on pages 7 to 16 form part of these accounts.



REGENT'S COLLEGE

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 1992

	Notes	<u>1992</u>	<u>1991</u>
		£	£
Net cash flow from operating activities	18	49,987	218,770
Return on investment and servicing of finance			
Interest received		31,709	58,452
Interest paid		(90,250)	(159,021)
Finance leases repaid		(16,348)	(43,170)
		<hr/>	<hr/>
Net cash outflow from return on investments and servicing of finance		(74,889)	(143,739)
Investing activities			
Payment to acquire fixed assets		(40,438)	(105,877)
Receipts from sales of fixed assets		615	7,646
		<hr/>	<hr/>
Net cash from investing activities		(39,823)	(98,231)
		<hr/>	<hr/>
Net cash flow before financing		(64,725)	(23,200)
Financing			
Subordinated loan. Exchange gain		-	33,012
Finance leases arranged		-	15,930
		<hr/>	<hr/>
		-	48,942
		<hr/>	<hr/>
(Decrease)/increase in cash and cash equivalents	19	£(64,725) =====	£25,742 =====

REGENT'S COLLEGE

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST AUGUST 1992

1. Principal accounting policies

A summary of the more important accounting policies of the College is set out below:

(a) Basis of accounting

The accounts have been prepared on a going concern basis not withstanding the excess of current liabilities over current assets. The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Tangible fixed assets

Fixed assets are stated at their purchase price together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose, which are consistent with those of last year, are:-

Plant and machinery	- 20%
Computer equipment	- 33%
Fixtures and fittings	- 20-33%
Motor vehicles	- 25%

Leasehold improvements are amortised over the period of the lease.

(c) Foreign Currencies

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

(d) Value added tax

Due to the nature of the college's outputs, its inputs are not fully recoverable. Irrecoverable value added tax has been capitalised when related to items of a capital nature and charged to the profit and loss account when of a trading nature.

(e) Finance and operating leases

Costs in respect of operating leases are charged in arriving at the operating profit. Assets held under finance leases and hire purchase agreements are capitalised as tangible fixed assets and the obligation to pay future rentals and instalments is shown as a liability.

REGENTS'S COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 1992

1. Principal accounting policies (continued)

(f) Group accounts

Group accounts have not been prepared in respect of the college's two subsidiaries, Regent's College Pension Trustee Limited and Regent's College School of Psychotherapy and Counselling Limited. The former Company does not trade and the latter's period of trade and results within the accounting period is not material.

(g) Comparatives

The comparatives shown are for the 14 months to 31st August 1991.

2. Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied as follows.

	<u>1992</u>	<u>1991</u>
	£	£
Rental income and service charges	2,901,172	3,131,214
Academic income	925,046	1,096,504
Catering income	959,650	1,242,044
	<hr/>	<hr/>
	£4,785,868	£5,469,762
	=====	=====

The turnover of the company during the year was made in the same geographical area.

3. Net operating expenses

Net operating expenses are made up as follow:

	<u>1992</u>	<u>1991</u>
	£	£
Administrative costs	3,017,509	3,430,582
Premises costs	1,726,971	2,122,184
	<hr/>	<hr/>
	£4,744,480	£5,552,766
	=====	=====

4. Operating profit

Operating profit is stated after charging:-

	<u>1992</u>	<u>1991</u>
	£	£
Auditor's remuneration	8,000	12,000
Councillors' remuneration (Note 9)	-	-
Depreciation of tangible fixed assets	179,487	254,124
Rent	800,000	933,334
Operating lease rental for plant machinery	26,348	23,567
Profit on sale of fixed assets	-	2,162
	=====	=====

REGENT'S COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 1992

5. Interest receivable and similar income

	<u>1992</u>	<u>1991</u>
	£	£

Interest receivable

Bank interest	15,673	48,901
Other interest	16,036	9,551

	<u>£31,709</u>	<u>£58,452</u>
	=====	=====

6. Interest payable and similar charges

	<u>1992</u>	<u>1991</u>
	£	£

Loan interest	29,567	69,210
Finance charges in respect of finance leases and hire purchase	5,609	7,513
Other interest	55,074	82,298

Total interest payable	<u>£90,250</u>	<u>£159,021</u>
	=====	=====

7. Exceptional items

This represents an overprovision for value added tax liabilities in the previous accounting period.

8. Employee information

(a) The average number of persons employed by the college during the year is analysed below:-

	<u>1992</u>	<u>Full-time equivalent</u>	<u>1991</u>	<u>Full-time equivalent</u>
	£	£	£	£
Maintenance	15	15	18	18
Administration	52	52	25	25
Academic	30	18	31	22
	<u>97</u>	<u>85</u>	<u>74</u>	<u>65</u>
	=====	=====	=====	=====

REGENT'S COLLEGENOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST AUGUST 19928. Employees information (continued)1992  
£1991  
£

(b) Employment cost of all employees included above:-

Wages and salaries	1,052,619	1,154,422
Employer's national insurance and state pension contributions	100,940	91,378
Employer's pension contributions under the College's pension schemes	28,621	21,719
	<u>£1,182,180</u>	<u>£1,267,519</u>
	=====	=====

9. Councillors' remuneration

No remuneration was paid to councillors during the year.

10. Taxation

The college is a Registered Charity and is exempt from the provisions of the Income and Corporation Taxes Act, 1988.

11. Tangible fixed assets

(a)	Short leasehold Improvements £	Plant and Machinery £	Computer Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total £
<u>Cost</u>						
At 31st August 1991	2,239,891	26,782	191,596	764,522	15,305	3,238,096
Additions	-	3,539	24,698	12,201	-	40,438
Disposals	-	-	(5,000)	(2,305)	-	(7,305)
At 31st August 1992	2,239,891	30,321	211,294	774,418	15,305	3,271,229
	=====	=====	=====	=====	=====	=====
<u>Depreciation</u>						
At 31st August 1991	547,934	20,586	116,563	645,069	12,116	1,342,268
Charge for year	85,304	3,514	42,438	45,582	2,649	179,487
Disposals	-	-	(5,000)	(1,690)	-	(6,690)
At 31st August 1992	633,238	24,100	154,001	688,961	14,765	1,515,065
	=====	=====	=====	=====	=====	=====
<u>Net book value</u>						
At 31st August 1992	£1,606,653	£6,221	£57,293	£85,457	£540	£1,756,164
	=====	=====	=====	=====	=====	=====
At 31st August 1991	£1,691,957	£6,196	£75,033	£119,453	£3,189	£1,895,828
	=====	=====	=====	=====	=====	=====

REGENT'S COLLEGENOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST AUGUST 199211. Tangible fixed assets

(b) Assets capitalised under finance leases and hire purchase agreements are as follows:

	Computer equipment	Fixtures and fittings	Total
	£	£	£
<u>Cost</u>			
At 31st August 1991	52,790	15,931	68,721
Additions	-	-	-
Lease payments completed	-	-	-
At 31st August 1992	52,790	15,931	68,721
<u>Depreciation</u>			
At 31st August 1991	33,692	3,067	36,759
Charge for the year	12,597	5,310	17,907
Lease payments completed	-	-	-
At 31st August 1992	46,289	8,377	54,666
<u>Net book value</u>			
At 31st August 1992	£6,501	£7,554	£14,055
At 31st August 1991	£19,098	£12,864	£31,962

12. Investment in subsidiaries

<u>Cost</u>	<u>Subsidiary Undertakings</u>
	£
At 1st September 1991	100
Additions	2
At 31st August 1992	£102

The College holds more than 10% of the equity of the following companies at the balance sheet date:

<u>Name of company</u>	<u>Country of Incorporation</u>	<u>Holding</u>	<u>Proportion</u>	<u>Nature of Business</u>
Regent's College Pension Trustee Limited	England	100 shares	100%	Dormant
Regent's College School of Psychotherapy and Counselling Limited	England	2 shares	100%	Educational services

The company has not produced group accounts in respect of its subsidiary undertakings since their inclusion when taken together is not material for the purpose of giving a true and fair view.

The aggregate amount of the total investments in the shares of the subsidiary undertakings stated by way of the equity method is £18,201 (1991 £100).

REGENT'S COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 1992

13. Debtors	<u>1992</u> £	<u>1991</u> £
Trade debtors	560,242	465,781
Prepayments and accrued income	73,637	138,687
	<hr/>	<hr/>
	£633,879	£604,468
	=====	=====

All the above amounts are due within one year of the balance sheet date.

14. Creditors: Amounts falling due within one year	<u>1992</u> £	<u>1991</u> £
Trade creditors	202,086	403,311
Other creditors including taxation and social security	960,031	1,005,218
Accruals and deferred income	791,933	708,162
	<hr/>	<hr/>
	£1,954,050	£2,116,691
	=====	=====

Other creditors including taxation and social security is made up as follows:

	<u>1992</u> £	<u>1991</u> £
Value added tax	103,485	126,126
PAYE and Social Security	87,383	23,358
Obligations under finance leases and hire purchase agreements repayable within one year	12,317	28,663
Contributions due to the pension scheme	1,217	-
Rockford College:-		
Current account	1,979	117,582
Gardner Merchant Limited	492,157	437,114
Regent's College School of Psychotherapy and Counselling Limited:-		
Current account	41,089	-
Other creditors	220,404	272,375
	<hr/>	<hr/>
	£960,031	£1,005,218
	=====	=====

REGENT'S COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 1992

15. Share capital

The College is a company limited by guarantee, and accordingly does not have a share capital. Every governor undertakes to contribute to the assets of the College in the event of the College being wound up while he is a governor, or within one year after he ceases to be a governor, a sum not exceeding one pound for payment of the debts and liabilities of the College.

16. Subordinated loan

The subordinated loan is repayable in US dollars as follows:-

	<u>1992</u>	<u>1992</u>	<u>1991</u>	<u>1991</u>
	\$	£	\$	£
1 - 5 years	800,000	476,190	600,000	357,143
Over 5 years	700,000	416,667	900,000	535,714
	<hr/>	<hr/>	<hr/>	<hr/>
	\$1,500,000	\$892,857	\$1,500,000	\$892,857
	=====	=====	=====	=====

The loan is repayable in 15 six monthly instalments of \$100,000 commencing 30 September 1992. However, the company is currently involved in negotiations regarding this loan and no payment will be made for at least a further 2 years. Interest on the loan being 2% until 30th September 1993, thereafter at the US prime interest rate.

17. Reserves

	<u>1992</u>	<u>1991</u>
	£	£
Profit and loss account		
As at 1st September 1991	(341,804)	(169,238)
Loss for the year	(12,335)	(172,566)
	<hr/>	<hr/>
At at 31st August 1992	£(354,139)	£(341,804)
	=====	=====

18. Cashflow statement

	<u>1992</u>	<u>1991</u>
	£	£
Operating profit/(loss) per accounts	41,388	(83,004)
Gain/(loss) on exchange	4,818	(25,479)
Depreciation	179,487	254,124
Increase in debtors	(29,411)	(332,112)
(Decrease)/increase in creditors	(146,295)	345,417
Loss on sale of fixed assets	-	(2,162)
Decrease in stock	-	25,500
Exceptional items	-	36,486
	<hr/>	<hr/>
	£49,987	£218,770
	=====	=====



REGENT'S COLLEGE

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 1992

19. Analysis of changes in cash and cash equivalents during the year	£
Balance at 1st September 1991	167,348
Net cash outflow	64,725
	<hr/>
Balance at 31st August 1992	£102,623
	=====

Analysis of the balances of cash and cash equivalents as shown in the balance sheet.

	<u>1992</u>	<u>1991</u>	<u>Change in</u>
	£	£	the year
			£
Cash at bank and in hand	164,972	204,816	(39,844)
Bank overdrafts	(62,349)	(37,468)	(24,881)
	<hr/>	<hr/>	<hr/>
	102,623	167,348	(64,725)
	=====	=====	=====

20. Commitments and contingent liabilities

(a) Pensions

- (i) The College pension scheme provides eligible employees with a pension on retirement, determined by the employee's earnings and length of service. The scheme is subject to an actuarial valuation every three years from the date of commencement of the scheme. The last valuation was carried out on 10th July 1987. The scheme was frozen on 31st October 1990.

From 1st November 1990, the College has contributed a defined amount to specified Personal Pension Policies taken out by eligible employees.

- (ii) Contributions to the scheme by both the College and employees are defined by the rules of the scheme.
- (iii) The College contributions shown in note 8(b) are those due on salaries paid to employees during the year.
- (iv) Contributions due to the scheme are disclosed in note 14.

REGENT'S COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 1992

20. Commitments and contingent liabilities (continued)

(b) Lease commitments

- (i) The College has entered into non-cancellable operating lease and hire purchase arrangements in respect of plant, machinery and motor vehicles. The future annual rental commitments are as follows:-

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Date of lease termination:		
Within one year	9,199	16,346
More than one year	3,117	12,317
	<hr/>	<hr/>
	12,316	28,663
	=====	=====

- (ii) In addition, the College leases certain land and buildings on a lease which terminates in the year 2001. The rent payable under this lease is subject to re-negotiation at various intervals specified in the lease. The College is obliged to pay all insurance, maintenance and repairs to the property.

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

(c) Refinancing of College indebtedness

Under the terms of an agreement dated 16th June 1990 the College's entire indebtedness to Rockford College of £4,958,528 was renegotiated.

Under this agreement the indebtedness to Rockford was reduced to \$3,300,000 (£1,964,286) and became payable on the following terms.

- (i) \$1,500,000 (£892,857) repayable by instalments as explained in note 16.
- (ii) \$1,800,000 (£1,031,814) repayable by deduction from future tuition fees due from Rockford as follows:
- 17.5% of tuition fees of first 60 students

REGENT'S COLLEGE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 1992

20. Commitments and contingent liabilities (continued)

(c) Refinancing of College indebtedness

- 25% of tuition fees for each student in excess of 60, provided by Rockford College in each semester.

Credit for the \$1,800,000 was taken in the profit and loss account as an extraordinary item for the year ended 30th June 1990 and no provision has been made for the reduced future tuition fee income.

At 31st August 1992 the balances outstanding were:-

	\$	1992	\$	1991
(i)	1,500,000	892,857	1,500,000	892,857
	=====	=====	=====	=====
(ii)	1,552,429	924,064	1,669,988	994,000
	=====	=====	=====	=====

Both amounts of \$1,500,000 and \$1,552,429 would become immediately repayable should the College cease its activities, or if it is wound up or if a receiver is appointed, or if the College's lease is assigned without the consent of Rockford College.

Under the terms of the same agreement Regent's College has obtained a £1.25 million loan facility from Regent's College Management Services Limited, to finance its future activities. At 31st August 1992 a loan of £170,000 has been obtained under this facility.

21. Contingent liabilities

i. There are currently various on-going litigation matters, based on current information there is no material unprovided liabilities.

ii. Regent's College Management Services Limited has provided a guarantee to the bank with regard to Regents College's subsidiary, Regents College School of Psychotherapy and Counselling Limited and its validation from City University. Regents College has agreed to indemnify Regents College Management Services Limited against any loss arising from this guarantee.

Regent's College Management Services Limited also has a charge over the assets of the subsidiary company, Regents College School of Psychotherapy and Counselling Limited.

22. Post balance sheet events - non adjusting

i) Since the year end the rent review which was due in September 1991, has been determined by an independent arbitrator, at £933,000 p.a. However, the company is still in the process of negotiating more favourable terms and consequently no provision has been made in the accounts.

ii) The subordinated loan as described in note 16 is denominated in US dollars. If the exchange rate of 10th December 1992 was used the effect would be to increase the liability by £64,264. This has not been recorded in the balance sheet because according to Statement of Standard Accounting Practice no 17 it constitutes a non adjusting post balance sheet event.