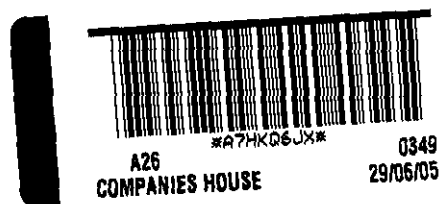


Regent's College
(limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

31 August 2004



Regent's College

LEGAL AND ADMINISTRATIVE INFORMATION

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

TRUSTEES

J Dorgan (Retired 26th February 2004)
Y Makar (Retired 26th February 2004)
E de la Croix
G Colleary (Retired 26th February 2004)
G Gula (Retired 26th February 2004)
P Douglas (Appointed 11th November 2003)
B Cooney (Appointed 11th November 2003, Resigned 27th January 2004)
D Ellis (Appointed 24th March 2004)

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

ACTING CHIEF EXECUTIVE

Professor Michael Scriven

SECRETARY

Broadway Secretaries Limited

REGISTERED OFFICE AND PRINCIPAL ADDRESS

Inner Circle
Regent's Park
London
NW1 4NS

AUDITORS

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Churchill House
Chalvey Road East
Slough
Berkshire
SL1 2LS

SOLICITORS

Bircham Dyson Bell
50 Broadway
London
SW1H 0BL

Regent's College

LEGAL AND ADMINISTRATIVE INFORMATION

BANKERS

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

INVESTMENT MANAGERS

Cazenove Fund Management Ltd
12 Moorgate
London
EC2R 6DA

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

INSURANCE BROKERS

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

Regent's College

TRUSTEES' REPORT

The trustees are pleased to present their report for the year ended 31 August 2004. This report is prepared in accordance with the recommendations of the Statement of Recommended Practice – Accounting and Reporting by Charities and complies with applicable law.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Regent's College is a company limited by guarantee and a registered charity that was founded in 1984. It is governed by its Memorandum and Articles of Association. New trustees are recruited by personal recommendation, advertising in the national press and through appropriate recruitment agencies. A formal training and induction process has been instituted.

The Council of Management (Board of Trustees) has complete responsibility for the stewardship of the Charity's assets, ensuring adherence to its charitable objectives and strategic decision making but delegates day-to-day operational responsibilities to the Chief Executive and senior management team. All of the members of the Council of Management (Board of Trustees) are members of the Council of Management of European Business School Educational Trust Limited which shares the campus with the College.

CHARITABLE OBJECTS

The object of the charity, as set out in the Memorandum and Articles of Association, is the advancement of education in England for the public benefit of all.

ORGANISATION AND REVIEW OF ACTIVITIES AND ACHIEVEMENTS

The College operates under the names of British American College London which provides courses of study leading to Bachelor of Arts and Bachelor of Science degrees and (from January 2005) Webster Graduate School, which provides courses of study leading to Master of Arts and Master of Business Administration Degrees. The degrees are accredited by Webster University of St Louis Missouri, USA. The academic programmes are grounded in the Liberal Arts and Science tradition developed in the USA, focusing on intellectual and cultural depth. Students from around the world attend the College. Additionally the College hosts a study abroad programme for American undergraduates from universities and colleges affiliated to the British American College London. Student numbers continue to grow steadily.

The College pursues a policy of growth in student numbers and revenue to enable continuing investment in academic programmes and facilities development to provide the students with a secure and high quality learning environment.

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

Regent's College Conference Centre Ltd lets rooms on a day to day basis to a range of educational, charitable and commercial organisations. It also provides catering facilities to its clients. The business has grown steadily over the past few years and the staff seek ways to continue to improve the services provided.

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

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

During the year, the school terminated its relationship with the former President, Mrs G Payne, and commenced legal proceedings against a company owned and controlled by her. Full details are given in note 12 to these financial statements.

Regent's College

TRUSTEES' REPORT

FINANCIAL RESULTS

The net movement in funds for the year, which was arrived at after accounting for an unrealised gain on investments of £53,528 (2003: £30,113), came to a deficit of £146,896 (2003: £414,961). As at 31 August 2004 the reserves amounted to £4,448,305 (2003: £4,595,201). The College received a donation of £615,000 (2003: £400,000), from its subsidiary Regent's College Conference Centre Ltd. Scholarships of £50,692 (2003: £33,615) were awarded to students based on academic merit and financial need.

RESERVES

The trustees have established a policy whereby the unrestricted funds, that is those funds not committed or invested in tangible fixed assets ('the free reserves'), should be the equivalent of 18 months of total resources expended, which equates to £17.8 million. This level of free reserves is required to ensure that sufficient funds are available for teach out costs in the event of significant changes to course arrangements or a material variation in future income.

All the reserves of the Charity are unrestricted funds. At 31 August 2004 they amounted to £4,448,305 (2003: £4,595,201) but only £1,775,055 (2003: £1,902,430) of this is freely available because the balance is invested in tangible fixed assets.

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

INVESTMENT POLICY AND RESULTS

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

The performance of the funds is monitored on a regular basis. As at 31 August 2004 the value of the investments amounted to £954,935 (2003: £894,947) compared to an original investment of £1 million.

RISK MANAGEMENT

The trustees have identified the major risks to which the charity is exposed and have reviewed and established policies to mitigate those risks. These include the development of a business continuity plan, a detailed security review and the implementation of its recommendations, a Health and Safety review and ongoing measures in compliance with the Disability Discrimination Act. Internal financial and operational controls are subject to continuous scrutiny and improvement.

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

Regent's College

TRUSTEES' REPORT

TRUSTEES' RESPONSIBILITIES FOR THE PREPARATION OF FINANCIAL STATEMENTS

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

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

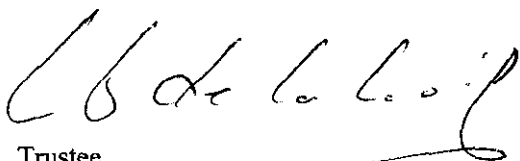
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the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

AUDITORS

Grant Thornton UK LLP were appointed auditors to the company on 10th January 2005 to fill a casual vacancy in accordance with S388(1) of the Companies Act 1985.

A resolution to reappoint Grant Thornton UK LLP as auditors will be put to the members at the annual general meeting.

This report was approved by the Board of Trustees on 25th May 2005.



Trustee
25th May 2005

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

We have audited the financial statements of Regent's College for the year ended 31 August 2004 which comprise the statement of financial activities (incorporating an income and expenditure account), the balance sheet, the cash flow statement, the principal accounting policies and notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of trustees and auditors

The trustees are also the directors of Regent's College for the purposes of company law. Their responsibilities for preparing the trustees' report and the financial statements in accordance with United Kingdom Law and accounting standards are set out in the statement of trustees' responsibilities.

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

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

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

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2004 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON UK LLP

Registered Auditors
Chartered Accountants
Churchill House
Chalvey Road East
Slough
Berkshire
SL1 2LS

25 May 2005

Regent's College

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 August 2004

| | Notes | 2004 | 2003 |
|---|-------|-------------------|-------------------|
| | | £ | £ |
| INCOMING RESOURCES | | | |
| Donations and similar incoming resources | 1a | 615,000 | 400,000 |
| Incoming resources from operating activities of the charity | | | |
| Activities in furtherance of the charity's objects | 1b | 6,200,435 | 6,203,915 |
| Activities for generating funds | 1c | 4,809,539 | 4,577,668 |
| Investment income | 1d | 35,506 | 87,554 |
| TOTAL INCOMING RESOURCES | | 11,660,480 | 11,269,137 |
| RESOURCES EXPENDED | | | |
| Cost of generating funds | 2a | (4,830,744) | (4,609,849) |
| Net incoming resources available for charitable application | | 6,829,736 | 6,346,150 |
| Charitable expenditure | | | |
| Costs of activities in furtherance of charity's objects | 2b | 6,044,750 | 5,764,053 |
| Support costs | 2b | 759,595 | 982,420 |
| Management and administration of the charity | 2b | 210,639 | 353,295 |
| Total charitable expenditure | | 7,014,984 | 7,099,768 |
| TOTAL RESOURCES EXPENDED | | 11,845,728 | 11,709,617 |
| NET OUTGOING RESOURCES | 3 | (185,248) | (440,480) |
| Gains and losses on revaluations and disposals of investment assets | | 38,352 | 25,519 |
| NET MOVEMENT IN FUNDS | 11 | (146,896) | (414,961) |
| Total funds brought forward at 1 September 2003 | 11 | 4,595,201 | 5,010,162 |
| Total funds carried forward at 31 August 2004 | 11 | 4,448,305 | 4,595,201 |

All the above results are derived from continuing activities.

All funds are unrestricted funds.

The deficit for the year for Companies Act purposes comprises the net outgoing resources for the year plus realised losses on investments and was £200,424 (2003: £445,074).

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

Regent's College

BALANCE SHEET

31 August 2004

| | Notes | 2004 £ | 2003 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | 2,673,250 | 2,692,771 |
| Investments | 7 | 955,043 | 895,055 |
| | | <u>3,628,293</u> | <u>3,587,826</u> |
| CURRENT ASSETS | | | |
| Debtors | 8 | 2,326,096 | 2,770,962 |
| Cash at bank and in hand | | 658,388 | 1,052,455 |
| | | <u>2,984,484</u> | <u>3,823,417</u> |
| CREDITORS: Amounts falling due within one year | 9 | (2,164,472) | (2,816,042) |
| NET CURRENT ASSETS | | <u>820,012</u> | <u>1,007,375</u> |
| TOTAL NET ASSETS | | <u>4,448,305</u> | <u>4,595,201</u> |
| UNRESTRICTED FUNDS | 11 | <u>4,448,305</u> | <u>4,595,201</u> |

Approved by the Board on 25th May 2005


Trustee


Trustee

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

Regent's College
CASH FLOW STATEMENT
for the year ended 31 August 2004

| | 2004 £ | 2004 £ | 2003 £ | 2003 £ |
|--|-----------|-----------|-----------|-----------|
| Reconciliation of net outgoing resources to net cash inflow/(outflow) from operating activities | | | | |
| Net outgoing resources | (185,248) | | (440,480) | |
| Bank and other interest received | (15,949) | | (67,582) | |
| Dividends received | (19,557) | | (19,972) | |
| Donations received | (615,000) | | (400,000) | |
| Depreciation | 708,328 | | 681,286 | |
| Loss on disposal of assets | - | | 50,320 | |
| Decrease/(increase) in debtors | 444,866 | | (512,614) | |
| (Decrease)/increase in creditors | (651,570) | | 280,780 | |
| Net cash inflow/(outflow) from operating activities | | (334,130) | | (428,262) |
| Returns on investments and servicing of finance | | | | |
| Bank and other interest received | 15,949 | | 67,582 | |
| Dividends received | 19,557 | | 19,972 | |
| Donations received | 615,000 | | 400,000 | |
| | | 650,506 | | 487,554 |
| Capital expenditure and financial investment | | | | |
| Payments to acquire tangible fixed assets | (688,807) | | (844,478) | |
| Fixed asset investments acquired | (176,598) | | (37,225) | |
| Proceeds from sale of fixed asset investment | 154,962 | | 15,000 | |
| | | (710,443) | | (866,703) |
| DECREASE IN THE YEAR | | (394,067) | | (807,411) |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

| | 2004 £ |
|------------------------------|-----------|
| Decrease in cash in the year | (394,067) |
| Net funds at 31 August 2003 | 1,052,455 |
| Net funds at 31 August 2004 | 658,388 |

| ANALYSIS OF NET FUNDS | At 1 September 2003 £ | Cash flow £ | At 31 August 2004 £ |
|--------------------------|--------------------------------|----------------|------------------------------|
| Cash in hand and at bank | 1,052,455 | (394,067) | 658,388 |

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

Regent's College

PRINCIPAL ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, except that listed fixed asset investments are carried at market value, and in accordance with applicable accounting standards. They have also been prepared in accordance with the Companies Act 1985 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP) that was published in October 2000.

The principal accounting policies of the charitable company have remained unchanged from the previous year and are set out below.

TANGIBLE FIXED ASSETS

Tangible fixed assets costing more than £500 are capitalised and are stated at historical cost.

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

| | |
|------------------------|------------------------------|
| Leasehold improvements | over the period of the lease |
| Plant and machinery | 20% - 30% per annum |
| Computer equipment | 33% per annum |
| Fixtures and fittings | 20% - 33% per annum |
| Motor vehicles | 25% per annum |

FIXED ASSET INVESTMENTS

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

Investments in subsidiary undertaking are stated at cost. Provisions are made for any permanent diminutions in value.

PENSIONS

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

FOREIGN CURRENCY

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

VALUE ADDED TAX

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

OPERATING LEASES

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

Regent's College

PRINCIPAL ACCOUNTING POLICIES

INCOMING RESOURCES

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

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

All other income is accounted for when it becomes receivable.

RESOURCES EXPENDED

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

Regent's College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2004

1 INCOMING RESOURCES

| a | Donations and similar incoming resources | 2004 £ | 2003 £ |
|---|--|-----------|-----------|
| | Donations | 615,000 | 400,000 |

The donations are received from Regent's College Conference Centre Ltd, a subsidiary of the college.

| b | Activities in furtherance of the charity's objects | 2004 £ | 2003 £ |
|---|--|------------------|------------------|
| | Tuition and registration fees | 2,550,114 | 2,355,783 |
| | Meals | 813,362 | 750,016 |
| | Residences and laundry | 771,129 | 756,992 |
| | Car park | 128,429 | 128,919 |
| | Trips and excursions | 63,853 | 60,708 |
| | Central service charges | 1,036,396 | 1,011,915 |
| | Rental income | 1,107,264 | 1,098,675 |
| | Exchange (loss)/gain | (219,420) | 74,522 |
| | Bursaries, scholarships and discounts | (50,692) | (33,615) |
| | | <u>6,200,435</u> | <u>6,203,915</u> |

The incoming resources of the company during the year all arose in the same geographical area.
26 scholarships were granted to individuals in the year ended 31 August 2004 (2003 : 19)

| c | Activities for generating funds | 2004 £ | 2003 £ |
|---|---------------------------------|------------------|------------------|
| | Rental income | 2,487,518 | 2,320,300 |
| | Central service charges | 1,197,859 | 1,048,660 |
| | Catering income | 1,124,162 | 1,208,708 |
| | | <u>4,809,539</u> | <u>4,577,668</u> |

| d | Investment income | 2004 £ | 2003 £ |
|---|---------------------------|---------------|---------------|
| | Bank interest received | 13,849 | 65,326 |
| | Other interest receivable | 2,100 | 2,256 |
| | Dividend income | 19,557 | 19,972 |
| | | <u>35,506</u> | <u>87,554</u> |

Regent's College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2004

2 RESOURCES EXPENDED

| a | Cost of generating funds | 2004 | 2003 |
|---|---|------------------|------------------|
| | | £ | £ |
| | Premises costs | 1,750,359 | 1,658,385 |
| | Central services | 971,872 | 780,754 |
| | Cost of meals | 1,218,662 | 1,247,989 |
| | Management costs | 841,592 | 804,787 |
| | Bad debts recovered | (106,638) | (10,180) |
| | Non-recoverable VAT | 154,897 | 128,114 |
| | | <u>4,830,744</u> | <u>4,609,849</u> |
| | | | |
| b | Charitable expenditure | 2004 | 2003 |
| | | £ | £ |
| | Costs of activities in furtherance of charity's objects | | |
| | Car park | 28,119 | 22,466 |
| | Teaching staff costs | 425,861 | 497,882 |
| | Academic costs | 159,863 | 148,606 |
| | Cost of meals | 899,366 | 793,150 |
| | Telephone | 23,961 | 20,238 |
| | Bad debts (recovered)/written off | (32,631) | 20,177 |
| | Non-recoverable VAT | 310,820 | 256,729 |
| | Premises costs | 2,319,992 | 2,263,131 |
| | Central services | 1,909,399 | 1,741,674 |
| | | <u>6,044,750</u> | <u>5,764,053</u> |
| | | | |
| | Support costs | | |
| | Legal and professional | 107,823 | 257,752 |
| | Premises costs | 27,324 | 25,103 |
| | Management costs | 624,448 | 699,565 |
| | | <u>759,595</u> | <u>982,420</u> |
| | | | |
| | Management and administration of the charity | | |
| | Legal and professional | 183,229 | 331,345 |
| | Audit and accountancy | 27,410 | 21,950 |
| | | <u>210,639</u> | <u>353,295</u> |

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2004

| | | | |
|---|---|-----------|-----------|
| 3 | NET OUTGOING RESOURCES | 2004 £ | 2003 £ |
| | Net outgoing resources are stated after charging: | | |
| | Operating lease rental – other | 1,471,250 | 1,475,628 |
| | Auditors' remuneration - Audit services | 27,410 | 21,950 |
| | - Other services | 7,268 | 24,964 |
| | Depreciation of tangible fixed assets | 708,328 | 681,286 |
| | Exchange losses/(gains) | 219,420 | (74,522) |
| | Loss on disposal of fixed asset investments | 15,176 | 50,320 |

| | | | |
|---|---|-------------|-------------|
| 4 | EMPLOYEES | 2004 No. | 2003 No. |
| | The average number of persons (excluding trustees) employed by the college during the year was: | | |
| | Maintenance | 21 | 18 |
| | Administration | 91 | 86 |
| | Academic | 25 | 25 |
| | | 137 | 129 |

| | | | |
|--|------------------------------------|-----------|-----------|
| | | 2004 £ | 2003 £ |
| | Staff costs for the above persons: | | |
| | Wages and salaries | 3,107,155 | 2,933,769 |
| | Social security costs | 290,413 | 269,032 |
| | Other pension costs | 77,248 | 166,116 |
| | | 3,474,816 | 3,368,917 |

| | | | |
|--|---|-------------|-------------|
| | The number of employees with emoluments of £50,000 or more during the year were : | 2004 No. | 2003 No. |
| | 50,000 – 59,999 | 2 | 2 |
| | 60,000 – 69,999 | 1 | - |
| | 70,000 – 79,999 | 1 | 1 |
| | 90,000 – 99,999 | - | 1 |
| | 100,000 – 110,000 | 1 | - |
| | | 5 | 4 |

Pension costs relating to 5 (2003: 4) employees earning more than £50,000 during the year were £24,115 (2003: £18,872).

5 TRUSTEES' REMUNERATION

No remuneration was paid to the trustees during the year

Five trustees were re-imbursed for travel and subsistence expenses for attending meetings during the year. The aggregate amount re-imbursed was £29,728 (2003: £15,612).

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2004

| 6 | TANGIBLE FIXED ASSETS | <i>Short leasehold improvements</i> £ | <i>Plant and machinery</i> £ | <i>Computer equipment</i> £ | <i>Fixtures And Fittings</i> £ | <i>Motor Vehicles</i> £ | <i>Total</i> £ |
|---|--------------------------|--|-------------------------------------|------------------------------------|---|--------------------------------|-------------------|
| | Cost | | | | | | |
| | 1 September 2003 | 4,823,909 | 641,791 | 1,861,444 | 1,510,477 | 45,596 | 8,883,217 |
| | Additions | 414,343 | 60,211 | 127,072 | 87,181 | - | 688,807 |
| | 31 August 2004 | 5,238,252 | 702,002 | 1,988,516 | 1,597,658 | 45,596 | 9,572,024 |
| | Depreciation | | | | | | |
| | 1 September 2003 | 2,806,299 | 526,641 | 1,555,006 | 1,261,057 | 41,443 | 6,190,446 |
| | Charged in the year | 376,764 | 46,495 | 184,493 | 97,468 | 3,108 | 708,328 |
| | 31 August 2004 | 3,183,063 | 573,136 | 1,739,499 | 1,358,525 | 44,551 | 6,898,774 |
| | Net book value | | | | | | |
| | 31 August 2004 | 2,055,189 | 128,866 | 249,017 | 239,133 | 1,045 | 2,673,250 |
| | 31 August 2003 | 2,017,610 | 115,150 | 306,438 | 249,420 | 4,153 | 2,692,771 |

| 7 | INVESTMENTS | 2004 £ | 2003 £ |
|---|---|-----------|-----------|
| | Quoted investments and cash deposits | 954,935 | 894,947 |
| | Investment in subsidiary undertakings | 108 | 108 |
| | | 955,043 | 895,055 |
| | Subsidiary undertakings: | | |
| | At cost 1 September 2003 and 31 August 2004 | 108 | 108 |
| | | | £ |
| | Market value at 1 September 2003 | | 894,947 |
| | Less: Disposals at opening book value (proceeds £154,962 ; loss £15,176) | | (170,138) |
| | Add: Acquisitions at cost | | 176,598 |
| | Net gains on revaluation at 31 August 2004 | | 53,528 |
| | Market value at 31 August 2004 | | 954,935 |

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2004

7 INVESTMENTS (*Continued*)

| | Quoted investments £ | Cash deposits £ | Total £ |
|---|----------------------------|-----------------------|------------|
| Investment assets in the UK | 774,857 | 80,257 | 855,114 |
| Investment assets outside the UK | 99,821 | - | 99,821 |
| 31 August 2004 | 874,678 | 80,257 | 954,935 |
| Market value: | | | |
| 31 August 2004 | 874,678 | 80,257 | 954,935 |
| 31 August 2003 | 829,558 | 65,389 | 894,947 |
| Historical cost of the above investments was: | | | |
| 31 August 2004 | 1,015,318 | 80,257 | 1,095,575 |
| 31 August 2003 | 1,023,726 | 65,389 | 1,089,115 |

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

Investments in individual entities held at 31 August 2004 which are over 5% of portfolio by value are:

| | |
|---|-----------|
| Chariguard Fixed Interest Fund | £ 42,462 |
| Chariguard UK Equity Fund | £ 287,554 |
| Chariguard Overseas Equity Fund | £ 87,178 |
| Cazenove Investment Fund Management Income Trust For Charities | £ 119,535 |
| Cazenove Investment Fund Management Equity Income Trust For Charities | £ 87,164 |
| Cazenove Investment Fund Management Growth Trust For Charities | £ 188,566 |
| Cazenove Investment Fund Management Absolute Return Trust For Charity | £ 49,577 |

All investments are held indirectly through common investment funds.

The college holds more than 20% of the equity of the following companies at the balance sheet date:

| <i>Name of company</i> | <i>Class of holding</i> | <i>Proportion held</i> | <i>Nature of business</i> |
|--|-------------------------|------------------------|------------------------------------|
| Regent's College Pension Trustee Limited | Ordinary | 100% | Dormant |
| Regent's College School of Psychotherapy and Counselling Limited | Ordinary | 100% | Educational services |
| Webster Graduate Studies Centre Limited | Ordinary | 100% | Non trading |
| Regent's College Conference Centre Limited | Ordinary | 100% | Provision of Conference facilities |
| Regent's College Business School Limited | Ordinary | 100% | Dormant |

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2004

7 INVESTMENTS (Continued)

The profit or loss of each subsidiary and their aggregate share capital and reserves were as follows:

| Name of company | Result | Aggregate | Result | Aggregate |
|---|---------------------------|---|---------------------------|---|
| | after tax 2004 £ | amount of its share capital and reserves 2004 £ | After tax 2003 £ | amount of its share capital and reserves 2003 £ |
| Regent's College Pension Trustee Limited | - | 100 | - | 100 |
| Regent's College School of Psychotherapy and Counselling Limited | 102,827 | (599,901) | 170,182 | (702,728) |
| Webster Graduate Studies Centre Limited | (170) | (4,284) | (1,019) | (4,114) |
| Regent's College Conference Centre Limited | 3,282 | 564,468 | 201,755 | 561,186 |
| Regent's College Business School Limited | - | 2 | - | 2 |

8 DEBTORS

| | 2004 £ | 2003 £ |
|--|------------------|------------------|
| Due within one year: | | |
| Trade debtors | 242,498 | 294,416 |
| Amounts due from subsidiary undertakings | 983,123 | 907,066 |
| Other debtors | 787,383 | 944,210 |
| Prepayments and accrued income | 313,092 | 625,270 |
| | <u>2,326,096</u> | <u>2,770,962</u> |

9 CREDITORS: Amounts falling due within one year

| | 2004 £ | 2003 £ |
|--|------------------|------------------|
| Trade creditors | 467,956 | 652,183 |
| Amounts owed to subsidiary undertakings | 1,311 | 200,000 |
| Other taxation and social security costs | 157,638 | 143,090 |
| Other creditors | 199,266 | 356,684 |
| Accruals and deferred income | 1,338,301 | 1,464,085 |
| | <u>2,164,472</u> | <u>2,816,042</u> |

All deferred income has been released in the following year.

10 GUARANTEE

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

Regent's College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2004

11 UNRESTRICTED FUNDS

General
funds
£

| | |
|---|------------------|
| Funds brought forward at 1 September 2003 | 4,595,201 |
| Net movement in funds for the year | (146,896) |
| Funds carried forward at 31 August 2004 | <u>4,448,305</u> |

12 COMMITMENTS AND CONTINGENT LIABILITIES

- i) At 31 August 2004 the College was committed to making the following payments during the next year in respect of operating leases:

| | <i>Land and buildings</i> | |
|----------------------------|---------------------------|-----------|
| | 2004 | 2003 |
| | £ | £ |
| Date of lease termination: | | |
| More than five years | 1,471,250 | 1,471,250 |

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

- ii) The College is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other group companies' unpaid debts in this connection.
- iii) During the year, the College, acting on legal advice and having sought the advice of the Charity Commissioners, set aside its management agreement with Mergeprime Limited, a company owned and controlled by the College's former President. The College has asserted claims for compensation from the former President and companies associated with her. Mergeprime has asserted a claim to a cancellation fee under the management agreement, which the College does not accept is due. The Trustees, together with their legal advisors, consider that the former President's counter-claims are groundless and they are resisting them. The potential maximum liability, if the former President's claims were to succeed is estimated to be £2.0m. In the light of the Trustees' view of the merits of these claims and the likelihood of their being successful, no provisions in respect of them have been made in these financial statements.
- iv) Regent's College continues to support its subsidiary company, Regent's College School of Psychotherapy and Counselling Limited, in order that that company may continue to trade and meet its liabilities as they fall due.

13 PENSIONS

The company contributes a defined amount to specified Personal Policies taken out by eligible employees. Contributions are charged to the accounts as incurred. There were outstanding contributions amounting to £23,353 as at the balance sheet date (2003: £171,712). Pension costs during the year were £77,248 (2003: £166,116).

14 LOAN TO TRADING SUBSIDIARY

An interest free loan of £705,707 (2003: £812,345) has been made by the charity to Regent's College School of Psychotherapy and Counselling Limited, secured on its assets and is repayable on demand. At 31 August 2004, a provision of £705,707 had been made against this loan (2003: £812,345).

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2004

15 RELATED PARTY TRANSACTIONS

The following related party transactions took place during the year:

| <i>Party</i> | <i>Relation- ship</i> | <i>Description of transaction</i> | <i>Value of Transaction £</i> | <i>Year end debtor/ (creditor) balance £</i> |
|--|---------------------------|---|---------------------------------------|--|
| European Business School Educational Trust Limited | (ii) | Rent and service charges | 2,143,660 | 101,306 |
| | | Legal and Professional fees paid on behalf | 108,848 | |
| College Management Services Limited | (i) | Rent and service charges | 367,837 | 495,432 |
| Regents Business School London Limited | (i) | Rent and service charges | 274,056 | (11,694) |
| Webster Graduate Studies Centre London Limited | (i) | Rent and service charges | 61,745 | (75,709) |
| Regents International Studies Centre London Limited | (i) | Rent and service charges | 49,139 | (80,510) |
| Mergeprime Limited | (i) | Management charge | 521,703 | (43,475) |

Relationship

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

Regent's College

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 August 2004

Regent's College

LEGAL AND ADMINISTRATIVE INFORMATION

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

TRUSTEES

J Dorgan (Retired 26th February 2004)
Y Makar (Retired 26th February 2004)
E de la Croix
G Colleary (Retired 26th February 2004)
G Gula (Retired 26th February 2004)
P Douglas (Appointed 11th November 2003)
B Cooney (Appointed 11th November 2003, Resigned 27th January 2004)
D Ellis (Appointed 24th March 2004)

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

ACTING CHIEF EXECUTIVE

Professor Michael Scriven

SECRETARY

Broadway Secretaries Limited

REGISTERED OFFICE AND PRINCIPAL ADDRESS

Inner Circle
Regent's Park
London
NW1 4NS

AUDITORS

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Churchill House
Chalvey Road East
Slough
Berkshire
SL1 2LS

SOLICITORS

Bircham Dyson Bell
50 Broadway
London
SW1H 0BL

Regent's College

LEGAL AND ADMINISTRATIVE INFORMATION

BANKERS

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

INVESTMENT MANAGERS

Cazenove Fund Management Ltd
12 Moorgate
London
EC2R 6DA

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

INSURANCE BROKERS

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

Regent's College

TRUSTEES' REPORT

The trustees are pleased to present their report for the year ended 31 August 2004. This report is prepared in accordance with the recommendations of the Statement of Recommended Practice – Accounting and Reporting by Charities and complies with applicable law.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Regent's College is a company limited by guarantee and a registered charity that was founded in 1984. It is governed by its Memorandum and Articles of Association. New trustees are recruited by personal recommendation, advertising in the national press and through appropriate recruitment agencies. A formal training and induction process has been instituted.

The Council of Management (Board of Trustees) has complete responsibility for the stewardship of the Charity's assets, ensuring adherence to its charitable objectives and strategic decision making but delegates day-to-day operational responsibilities to the Chief Executive and senior management team.

CHARITABLE OBJECTS

The object of the charity, as set out in the Memorandum and Articles of Association, is the advancement of education in England for the public benefit of all.

ORGANISATION AND REVIEW OF ACTIVITIES AND ACHIEVEMENTS

The College operates under the names of British American College London which provides courses of study leading to Bachelor of Arts and Bachelor of Science degrees and (from January 2005) Webster Graduate School, which provides courses of study leading to Master of Arts and Master of Business Administration Degrees. The degrees are accredited by Webster University of St Louis Missouri, USA. The academic programmes are grounded in the Liberal Arts and Science tradition developed in the USA, focusing on intellectual and cultural depth. Students from around the world attend the College. Additionally the College hosts a study abroad programme for American undergraduates from universities and colleges affiliated to the British American College London. Student numbers continue to grow steadily.

The College pursues a policy of growth in student numbers and revenue to enable continuing investment in academic programmes and facilities development to provide the students with a secure and high quality learning environment.

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

Regent's College Conference Centre Ltd lets rooms on a day to day basis to a range of educational, charitable and commercial organisations. It also provides catering facilities to its clients. The business has grown steadily over the past few years and the staff seek ways to continue to improve the services provided.

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

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

Regent's College

TRUSTEES' REPORT

During the year, the College terminated its relationship with the former President, Mrs G Payne, and commenced legal proceedings against a company owned and controlled by her. Full details are given in note 17 to these financial statements.

FINANCIAL RESULTS

The group net movement in funds for the year, which was arrived at after accounting for an unrealised gain on investments of £53,528 (2003: £30,113), came to a deficit of £147,595 (2003: £54,223) which was transferred from reserves. As at 31 August 2004 the reserves amounted to £5,114,289 (2003: £5,261,884). Scholarships of £50,692 (2002: £33,615) were awarded to students based on academic merit and financial need.

RESERVES

The trustees have established a policy whereby the ideal level of unrestricted funds, that is those funds not committed or invested in tangible fixed assets ('the free reserves'), should be the equivalent of 18 months of total resources expended, which equates to £17.8 million in respect of the company. This level of free reserves is required to ensure that sufficient funds are available for teach out costs in the event of significant changes to course arrangements or a material variation in future income.

All the reserves of the Charity are unrestricted funds. At 31 August 2004 they amounted to £4,448,305 (2003: £4,595,201) but only £1,775,055 (2003: £1,902,430) of this is freely available because the balance is invested in tangible fixed assets.

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

INVESTMENT POLICY AND RESULTS

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

The performance of the funds is monitored on a regular basis. As at 31 August 2004 the value of the investments amounted to £954,935 (2003: £894,947) compared to an original investment of £1 million.

RISK MANAGEMENT

The trustees have identified the major risks to which the charity is exposed and have reviewed and established policies to mitigate those risks. These include the development of a business continuity plan, a detailed security review and the implementation of its recommendations, a Health and Safety review and ongoing measures in compliance with the Disability Discrimination Act. A policy is in place to improve the general control environment and a risk appraisal and monitoring methodology has been developed.

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

Regent's College

TRUSTEES' REPORT

TRUSTEES' RESPONSIBILITIES FOR THE PREPARATION OF FINANCIAL STATEMENTS

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

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

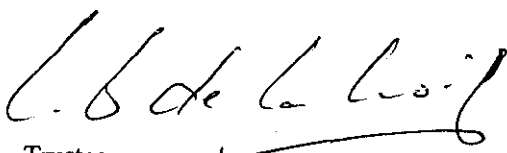
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the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

AUDITORS

Grant Thornton UK LLP were appointed auditors to the company on 10th January 2005 to fill a casual vacancy in accordance with S388(1) of the Companies Act 1985.

A resolution to reappoint Grant Thornton UK LLP as auditors will be put to the members at the annual general meeting.

This report was approved by the Board of Trustees on 25th May 2005.



Trustee
25th May 2005

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

We have audited the financial statements of Regent's College for the year ended 31 August 2004 which comprise the consolidated statement of financial activities (incorporating a consolidated income and expenditure account), the balance sheets, the consolidated cash flow statement, the principal accounting policies and notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of trustees and auditors

The trustees are also the directors of Regent's College for the purposes of company law. Their responsibilities for preparing the trustees' report and the financial statements in accordance with United Kingdom Law and accounting standards are set out in the statement of trustees' responsibilities.

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

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

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

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity and the group as at 31 August 2004 and of its incoming resources and application of resources, including income and expenditure for the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON UK LLP

Registered Auditors
Chartered Accountants
Churchill House
Chalvey Road East
Slough
Berkshire
SL1 2LS

25 May 2005

Regent's College

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

for the year ended 31 August 2004

| | Notes | 2004 | 2003 |
|---|-------|-------------------|-------------------|
| | | £ | £ |
| INCOMING RESOURCES | | | |
| Incoming resources from operating activities of the charity | | | |
| Activities in furtherance of the charity's objects | 2 | 6,185,090 | 6,189,497 |
| Activities for generating funds – Trading subsidiaries | 1 | 4,736,443 | 3,883,425 |
| – Other | 3 | 2,753,024 | 2,665,453 |
| Investment income | 4 | 65,501 | 113,118 |
| TOTAL INCOMING RESOURCES | | 13,740,058 | 12,851,493 |
| RESOURCES EXPENDED | | | |
| Cost of generating funds – Trading subsidiaries | 1 | (2,031,783) | (1,259,391) |
| – Other | 5 | (4,914,195) | (4,605,731) |
| Net incoming resources available for charitable application | | 6,794,080 | 6,986,371 |
| Charitable expenditure | | | |
| Costs of activities in furtherance of charity's objects | 6 | 6,018,903 | 5,738,219 |
| Support costs | 7 | 750,485 | 974,599 |
| Management and administration of the charity | 8 | 210,639 | 353,295 |
| Total charitable expenditure | | 6,980,027 | 7,066,113 |
| TOTAL RESOURCES EXPENDED | | 13,926,005 | 12,931,235 |
| NET OUTGOING RESOURCES | 10 | (185,947) | (79,742) |
| Gains and losses on revaluations and disposals of investment assets | | 38,352 | 25,519 |
| NET MOVEMENT IN FUNDS | | (147,595) | (54,223) |
| Total funds brought forward at 1 September 2003 | | 5,261,884 | 5,316,107 |
| Total funds carried forward at 31 August 2004 | | 5,114,289 | 5,261,884 |

All the above results are derived from continuing activities.

All funds are unrestricted funds.

The deficit for the year for Companies Act purposes comprises the net outgoing resources for the year plus realised losses on investments and was £201,123 (2003: £84,336).

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

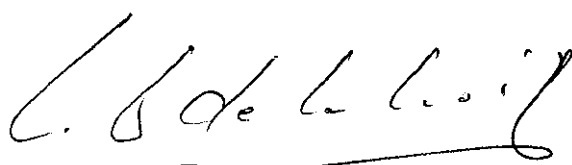
Regent's College

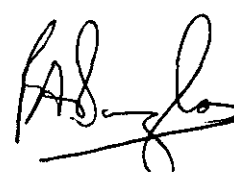
BALANCE SHEET

31 August 2004

| | Notes | 2004 £ | Group 2003 £ | 2004 £ | Charity 2003 £ |
|---|-------|------------------|--------------------|------------------|----------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 11 | 2,779,199 | 2,813,960 | 2,673,250 | 2,692,771 |
| Investments | 12 | 954,935 | 894,947 | 955,043 | 895,055 |
| | | <u>3,734,134</u> | <u>3,708,907</u> | <u>3,628,293</u> | <u>3,587,826</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 13 | 2,078,617 | 2,210,909 | 2,326,096 | 2,770,962 |
| Cash at bank and in hand | | 1,789,614 | 2,219,436 | 658,388 | 1,052,455 |
| | | <u>3,868,231</u> | <u>4,430,345</u> | <u>2,984,484</u> | <u>3,823,417</u> |
| CREDITORS: Amounts falling due within one year | 14 | (2,488,076) | (2,877,368) | (2,164,472) | (2,816,042) |
| NET CURRENT ASSETS | | <u>1,380,155</u> | <u>1,552,977</u> | <u>820,012</u> | <u>1,007,375</u> |
| NET ASSETS | | <u>5,114,289</u> | <u>5,261,884</u> | <u>4,448,305</u> | <u>4,595,201</u> |
| UNRESTRICTED FUNDS | | | | | |
| General funds | 16 | <u>5,114,289</u> | <u>5,261,884</u> | <u>4,448,305</u> | <u>4,595,201</u> |

Approved by the Board on 25th May 2005


Trustee


Trustee

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

Regent's College
GROUP CASH FLOW STATEMENT
for the year ended 31 August 2004

| | 2004 £ | 2004 £ | 2003 £ | 2003 £ |
|--|-----------|-----------|-----------|-----------|
| Reconciliation of net outgoing resources to net cash inflow from operating activities | | | | |
| Net outgoing resources | (185,947) | | (79,742) | |
| Bank and other interest received | (45,944) | | (93,146) | |
| Dividends received | (19,557) | | (19,972) | |
| Depreciation | 749,986 | | 715,949 | |
| Loss on disposal of fixed assets | - | | 49,760 | |
| Decrease/(increase) in debtors | 132,292 | | (322,128) | |
| (Decrease)/increase in creditors | (389,292) | | 195,329 | |
| Net cash inflow from operating activities | | 241,538 | | 446,050 |
| Returns on investments and servicing of finance | | | | |
| Bank and other interest received | 45,944 | | 93,146 | |
| Dividends received | 19,557 | | 19,972 | |
| | | 65,501 | | 113,118 |
| Capital expenditure and financial investment | | | | |
| Payments to acquire tangible fixed assets | (715,225) | | (959,659) | |
| Proceeds from sale of tangible fixed assets | - | | 6,299 | |
| Fixed asset investments acquired | (176,598) | | (37,225) | |
| Proceeds from sale of fixed asset investments | 154,962 | | 15,000 | |
| | | (736,861) | | (975,585) |
| DECREASE IN THE YEAR | | (429,822) | | (416,417) |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

| | 2004 £ |
|------------------------------|-----------|
| Decrease in cash in the year | (429,822) |
| Net funds at 31 August 2003 | 2,219,436 |
| Net funds at 31 August 2004 | 1,789,614 |

| ANALYSIS OF NET FUNDS | At 1 September 2003 £ | Cash flow £ | At 31 August 2004 £ |
|--------------------------|--------------------------------|----------------|------------------------------|
| Cash in hand and at bank | 2,219,436 | (429,822) | 1,789,614 |

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

Regent's College

PRINCIPAL ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, except that listed fixed asset investments are carried at market value, and in accordance with applicable accounting standards. They have also been prepared in accordance with the Companies Act 1985 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP) that was published in October 2000.

The group financial statements consolidate the financial statements of Regent's College and all its subsidiaries made up to 31 August 2004. No separate Statement of Financial Activities has been presented for Regent's College alone as permitted by section 230 of the Companies Act 1985 and paragraph 304 of the SORP.

The principal accounting policies of the charitable company have remained unchanged from the previous year and are set out below.

TANGIBLE FIXED ASSETS AND DEPRECIATION

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

FIXED ASSET INVESTMENTS

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

PENSIONS

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

FOREIGN CURRENCIES

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

VALUE ADDED TAX

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

OPERATING LEASES

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

Regent's College

PRINCIPAL ACCOUNTING POLICIES

INCOMING RESOURCES

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

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

All other income is accounted for when it becomes receivable.

RESOURCES EXPENDED

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

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2004

1 NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

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

| | Regent's College School of Psychotherapy & Counselling Limited £ | Webster Graduate Studies Centre Limited £ | Regent's College Conference Centre Limited £ | Total 2004 £ | Total 2003 £ |
|---|---|--|---|--------------------|--------------------|
| Turnover | 1,337,865 | - | 3,398,578 | 4,736,443 | 3,883,425 |
| Administration costs | (857,463) | (175) | (1,174,690) | (2,032,328) | (1,258,846) |
| Operating profit/(loss) | 480,402 | (175) | 2,223,888 | 2,704,115 | 2,624,579 |
| Interest receivable | 7,324 | 5 | 22,666 | 29,995 | 25,564 |
| Taxation | 545 | - | - | 545 | (545) |
| Net profit for the year | 488,271 | (170) | 2,246,554 | 2,734,655 | 2,649,598 |
| Amounts covenanted to Regent's College | - | - | (615,000) | (615,000) | (400,000) |
| Intra Group trading eliminated above | (385,444) | - | (1,628,272) | (2,013,716) | (1,878,680) |
| Dealt with by subsidiaries | 102,827 | (170) | 3,282 | 105,939 | 370,918 |

2 ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

| | 2004 £ | 2003 £ |
|--|-----------|-----------|
| Tuition and registration fees | 2,544,125 | 2,349,421 |
| Meals | 813,362 | 750,016 |
| Residences and laundry | 771,129 | 756,992 |
| Car park | 119,073 | 120,863 |
| Trips and excursions | 63,853 | 60,708 |
| Central services to other educational bodies | 1,036,396 | 1,011,915 |
| Rental income | 1,107,264 | 1,098,675 |
| Exchange (loss)/gain | (219,420) | 74,522 |
| Bursaries, scholarships and discounts | (50,692) | (33,615) |
| | 6,185,090 | 6,189,497 |

The incoming resources of the charity during the year were all made in the same geographical area. 26 scholarships were granted to individuals in the year ended 31 August 2004 (2003: 19).

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2004

| | | | |
|---|---|------------------|------------------|
| 3 | ACTIVITIES FOR GENERATING FUNDS – OTHER | 2004 £ | 2003 £ |
| | Rental income | 1,492,713 | 1,392,803 |
| | Central services | 852,661 | 808,093 |
| | Catering income | 407,650 | 464,557 |
| | | <u>2,753,024</u> | <u>2,665,453</u> |
| 4 | INVESTMENT INCOME | 2004 £ | 2003 £ |
| | Bank interest receivable | 43,844 | 90,890 |
| | Other interest receivable | 2,100 | 2,256 |
| | Dividend income | 19,557 | 19,972 |
| | | <u>65,501</u> | <u>113,118</u> |
| 5 | COST OF GENERATING FUNDS – OTHER | 2004 £ | 2003 £ |
| | Premises costs | 1,742,214 | 1,658,284 |
| | Central services | 963,176 | 772,087 |
| | Cost of meals | 1,218,662 | 1,247,989 |
| | Management costs | 835,246 | 799,257 |
| | Non-recoverable VAT | 154,897 | 128,114 |
| | | <u>4,914,195</u> | <u>4,605,731</u> |
| 6 | COSTS OF ACTIVITIES IN FURTHERANCE OF CHARITY'S OBJECTS | 2004 £ | 2003 £ |
| | Car park | 28,119 | 22,466 |
| | Teaching staff costs | 425,861 | 497,882 |
| | Academic costs | 150,685 | 138,065 |
| | Cost of meals | 899,366 | 793,150 |
| | Telephone | 23,961 | 20,238 |
| | Bad debts (recovered)/written off | (32,631) | 20,177 |
| | Non-recoverable VAT | 310,820 | 256,729 |
| | Premises costs | 2,319,981 | 2,263,028 |
| | Central services | 1,892,741 | 1,726,484 |
| | | <u>6,018,903</u> | <u>5,738,219</u> |
| 7 | SUPPORT COSTS | 2004 £ | 2003 £ |
| | Legal and professional | 107,823 | 257,752 |
| | Premises costs | 27,324 | 25,101 |
| | Management costs | 615,338 | 691,746 |
| | | <u>750,485</u> | <u>974,599</u> |

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2004

| | | | |
|---|--|------------------|------------------|
| 8 | MANAGEMENT AND ADMINISTRATION OF THE CHARITY | 2004 £ | 2003 £ |
| | Legal and professional | 183,229 | 331,345 |
| | Audit and accountancy | 27,410 | 21,950 |
| | | <u>210,639</u> | <u>353,295</u> |
| 9 | EMPLOYEES | 2004 No. | 2003 No. |
| | The average number of persons (excluding trustees) employed during the year was: | | |
| | Management and administration | 123 | 117 |
| | Academic | 68 | 64 |
| | | <u>191</u> | <u>181</u> |
| | | 2004 £ | 2003 £ |
| | Staff costs for the above persons: | | |
| | Wages and salaries | 3,862,579 | 3,624,234 |
| | Social security costs | 357,536 | 326,866 |
| | Other pension costs | 67,801 | 210,025 |
| | | <u>4,287,916</u> | <u>4,161,125</u> |

No remuneration was paid to trustees in the year.

Five trustees were re-imbursed for travel and subsistence expenses for attending meetings during the year. The aggregate amount re-imbursed was £29,728 (2003: £15,612).

| | | |
|---|-------------|-------------|
| | 2004 No. | 2003 No. |
| The number of employees with emoluments of £50,000 or more during the year for Regent's College and its subsidiaries were : | | |
| 50,000 – 59,999 | 2 | 2 |
| 60,000 – 69,999 | 1 | - |
| 70,000 – 79,999 | 1 | 1 |
| 90,000 – 99,999 | - | 1 |
| 100,000 – 110,000 | 1 | - |
| | <u>5</u> | <u>4</u> |

Pension costs relating to 5 (2003: 4) employees earning more than £50,000 during the year were £24,115 (2003: £18,872).

Regent's College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2004

10

NET OUTGOING RESOURCES

2004
£

2003
£

Net outgoing resources is stated after charging:

Operating lease rental – other

1,471,250

1,471,250

Depreciation – owned assets

749,986

715,949

Exchange losses/(gains)

219,420

(74,522)

Auditors' remuneration - Audit services

35,073

27,958

- Other services

9,068

27,264

Loss on disposal of fixed asset investments

15,176

49,760

11

TANGIBLE
FIXED
ASSETS

Short
leasehold
improvements
£

Computer
equipment
£

Plant and
machinery
£

Fixtures
and
fittings
£

Motor
vehicles
£

Total
£

GROUP

Cost

1 September 2003

4,854,420

1,960,511

641,791

1,704,366

45,596

9,206,684

Additions

414,343

128,827

60,211

111,844

-

715,225

31 August 2004

5,268,763

2,089,338

702,002

1,816,210

45,596

9,921,909

Depreciation

1 September 2003

2,833,395

1,637,217

526,641

1,354,028

41,443

6,392,724

Charged in year

377,764

191,623

46,495

130,996

3,108

749,986

31 August 2004

3,211,159

1,828,840

573,136

1,485,024

44,551

7,142,710

Net book value

31 August 2004

2,057,604

260,498

128,866

331,186

1,045

2,779,199

31 August 2003

2,021,025

323,294

115,150

350,338

4,153

2,813,960

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2004

| 11 | TANGIBLE FIXED ASSETS (continued) | Short leasehold improvements £ | Computer equipment £ | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Total £ |
|----|--|---|----------------------------|-----------------------------|----------------------------------|------------------------|----------------------|
| | CHARITY | | | | | | |
| | Cost | | | | | | |
| | 1 September 2003 | 4,823,909 | 1,861,444 | 641,791 | 1,510,477 | 45,596 | 8,883,217 |
| | Additions | 414,343 | 127,072 | 60,211 | 87,181 | - | 688,807 |
| | 31 August 2004 | 5,238,252 | 1,988,516 | 702,002 | 1,597,658 | 45,596 | 9,572,024 |
| | Depreciation | | | | | | |
| | 1 September 2003 | 2,806,299 | 1,555,006 | 526,641 | 1,261,057 | 41,443 | 6,190,446 |
| | Charged in year | 376,764 | 184,493 | 46,495 | 97,468 | 3,108 | 708,328 |
| | 31 August 2004 | 3,183,063 | 1,739,499 | 573,136 | 1,358,525 | 44,551 | 6,898,774 |
| | Net book value | | | | | | |
| | 31 August 2004 | 2,055,189 | 249,017 | 128,866 | 239,133 | 1,045 | 2,673,250 |
| | 31 August 2003 | 2,017,610 | 306,438 | 115,150 | 249,420 | 4,153 | 2,692,771 |
| 12 | FIXED ASSET INVESTMENTS | | | | | | |
| | | | | 2004 £ | Group 2003 £ | 2004 £ | Charity 2003 £ |
| | Quoted investments and cash deposits | | | 954,935 | 894,947 | 954,935 | 894,947 |
| | Subsidiary undertakings | | | - | - | 108 | 108 |
| | | | | 954,935 | 894,947 | 955,043 | 895,055 |

Regent's College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2004

12 FIXED ASSET INVESTMENTS (*continued*)

GROUP AND CHARITY

| | £ |
|---|-----------|
| Quoted investments and cash deposits: | |
| Market value at 1 September 2003 | 894,947 |
| Less: Disposals at opening book value (proceeds £154,962 ; loss £15,176) | (170,138) |
| Add: Acquisitions at cost | 176,598 |
| Net gains on revaluation at 31 August 2004 | 53,528 |
| Market value at 31 August 2004 | 954,935 |

| | Quoted investments £ | Cash deposits £ | Total £ |
|---|----------------------------|-----------------------|------------|
| Investment assets in the UK | 774,857 | 80,257 | 855,114 |
| Investment assets outside the UK | 99,821 | - | 99,821 |
| 31 August 2004 | 874,678 | 80,257 | 954,935 |
| Market value: 31 August 2004 | 874,678 | 80,257 | 954,935 |
| 31 August 2003 | 829,558 | 65,389 | 894,947 |
| Historic cost of the above investments was: 31 August 2004 | 1,015,318 | 80,257 | 1,095,575 |
| 31 August 2003 | 1,023,726 | 65,389 | 1,089,115 |

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

Investments in individual entities held at 31 August 2004 which are over 5% of portfolio by value are:

| | |
|---|-----------|
| Chariguard Fixed Interest Fund | £ 42,462 |
| Chariguard UK Equity Fund | £ 287,554 |
| Chariguard Overseas Equity Fund | £ 87,178 |
| Cazenove Investment Fund Management Income Trust For Charities | £ 119,535 |
| Cazenove Investment Fund Management Equity Income Trust For Charities | £ 87,164 |
| Cazenove Investment Fund Management Growth Trust For Charities | £ 188,566 |
| Cazenove Investment Fund Management Absolute Return Trust For Charity | £ 49,577 |

All investments are held indirectly through common investment funds.

CHARITY

| | £ |
|--|-----|
| Subsidiary undertakings: | |
| At cost at 1 September 2003 and 31 August 2004 | 108 |

Regent's College

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2004

12 FIXED ASSET INVESTMENTS (continued)

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

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

| 13 | DEBTORS | 2004 £ | Group 2003 £ | 2004 £ | Charity 2003 £ |
|----|-------------------------------------|------------------|--------------------|------------------|----------------------|
| | Due within one year: | | | | |
| | Trade debtors | 536,445 | 518,253 | 242,498 | 294,416 |
| | Amounts due from group undertakings | - | - | 983,123 | 907,066 |
| | Other debtors | 1,127,739 | 970,634 | 787,383 | 944,210 |
| | Prepayments and accrued income | 414,433 | 722,022 | 313,092 | 625,270 |
| | | <u>2,078,617</u> | <u>2,210,909</u> | <u>2,326,096</u> | <u>2,770,962</u> |

| 14 | CREDITORS: Amounts falling due within one year | 2004 £ | Group 2003 £ | 2004 £ | Charity 2003 £ |
|----|--|------------------|--------------------|------------------|----------------------|
| | Trade creditors | 523,297 | 670,295 | 467,956 | 652,183 |
| | Amounts owed to group undertakings | - | - | 1,311 | 200,000 |
| | Corporation tax | (545) | 545 | - | - |
| | Other taxation and social security costs | 229,268 | 193,172 | 157,638 | 143,090 |
| | Other creditors | 224,219 | 384,107 | 199,266 | 356,684 |
| | Accruals and deferred income | 1,511,837 | 1,629,249 | 1,338,301 | 1,464,085 |
| | | <u>2,488,076</u> | <u>2,877,368</u> | <u>2,164,472</u> | <u>2,816,042</u> |

All deferred income has been released in the following year.

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2004

15 GUARANTEE

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

16 UNRESTRICTED FUNDS

General
funds
£

GROUP

| | |
|------------------------------------|-----------|
| Balance at 1 September 2003 | 5,261,884 |
| Net movement in funds for the year | (147,595) |

| | |
|---------------------------|-----------|
| Balance at 31 August 2004 | 5,114,289 |
|---------------------------|-----------|

CHARITY

| | |
|------------------------------------|-----------|
| Balance at 1 September 2003 | 4,595,201 |
| Net movement in funds for the year | (146,896) |

| | |
|---------------------------|-----------|
| Balance at 31 August 2004 | 4,448,305 |
|---------------------------|-----------|

17 COMMITMENTS AND CONTINGENT LIABILITIES

- i) At 31 August 2004 the group had annual commitments under non-cancellable operating leases as follows:

| | 2004 | 2003 |
|---|-----------|-----------|
| | £ | £ |
| Land and buildings expiring after five years | 1,471,250 | 1,471,250 |

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

- ii) The College is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other group companies' unpaid debts in this connection.
- iii) During the year, the College, acting on legal advice and having sought the advice of the Charity Commissioners, set aside its management agreement with Mergeprime Limited, a company owned and controlled by the College's former President. The College has asserted claims for compensation from the former President and companies associated with her. Mergeprime has asserted a claim to a cancellation fee under the management agreement, which the College does not accept is due. The Trustees, together with their legal advisors, consider that the former President's counter-claims are groundless and they are resisting them. The potential maximum liability, if the former President's claims were to succeed is estimated to be £2.0m. In the light of the Trustees' view of the merits of these claims and the likelihood of their being successful, no provisions in respect of them have been made in these financial statements.
- iv) Regent's College continues to support its subsidiary company, Regent's College School of Psychotherapy and Counselling Limited, in order that that company may continue to trade and meet its liabilities as they fall due.

Regent's College

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2004

18 PENSIONS

The group contributes a defined amount to specified Personal Policies taken out by eligible employees. Contributions are charged to the accounts as incurred. There were outstanding contributions in relation to the group amounting to £31,376 as at the balance sheet date (2003: £156,605). Outstanding contributions in relation to the charitable company amounted to £23,353 as at the balance sheet date (2003: £171,712). Pension costs during the year were £67,801 (2003: £210,025).

19 LOAN TO TRADING SUBSIDIARY

An interest free loan of £705,707 (2003: £812,345) has been made by Regent's College to Regent's College School of Psychotherapy and Counselling Limited, secured on its assets and is repayable on demand. At 31 August 2004, a provision of £705,707 had been made against this loan (2003: £812,345).

20 RELATED PARTY TRANSACTIONS

The following related party transactions took place during the year:

| <i>Party</i> | <i>Relation- ship</i> | <i>Description of transaction</i> | <i>Value of Transaction £</i> | <i>Year end debtor/ (creditor) balance £</i> |
|--|---------------------------|---|---------------------------------------|--|
| European Business School Educational Trust Limited | (ii) | Rent and service charges | 2,143,660 | 101,306 |
| | | Legal and Professional fees paid on behalf | 108,848 | |
| College Management Services Limited | (i) | Rent and service charges | 367,837 | 495,432 |
| Regents Business School London Limited | (i) | Rent and service charges | 274,056 | (11,694) |
| Webster Graduate Studies Centre London Limited | (i) | Rent and service charges | 61,745 | (75,709) |
| Regents International Studies Centre London Limited | (i) | Rent and service charges | 49,139 | (80,510) |
| Mergeprime Limited | (i) | Management charge | 521,703 | (43,475) |

Relationship

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