

**Regents Business School London Limited**  
(Limited by Guarantee)

**REPORT AND FINANCIAL STATEMENTS**

31 August 2006



# Regents Business School London Limited

## DIRECTORS' REPORT

---

The directors submit their report and the financial statements of Regents Business School London Limited for the year ended 31 August 2006

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of business degrees validated by the Open University. The company's trade and most of its assets and liabilities were transferred to its ultimate parent company Regent's College on 30 June 2006.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Directors of the company report that the turnover of the company for the year decreased from £3,146,777 to £3,021,966. The company made a loss of £583,705 before tax for the year compared to a loss of £609,432 in the previous year.

The Directors would like to thank everybody involved with the company for their hard work during the year.

### DIRECTORS

The following directors have held office since 1 September 2005

G M Payne\* (resigned 6 March 2006)  
M Maladwala\* (resigned 25 January 2006)  
R E Gregson (resigned 31 January 2006)  
Professor E V de la Croix (appointed 6 March 2006)  
S I Campbell (appointed 6 March 2006)

\* The interests of these directors in the shares of the previous parent undertaking, College Management Services Limited, are shown in its financial statements. The remaining directors had no interest in the shares of this company or its ultimate parent undertaking.

None of the directors have an interest in the shares of Regent's College, a registered charity limited by guarantee.

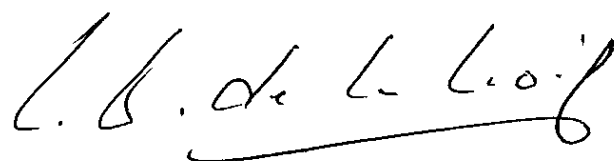
### AUDITOR

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

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

On behalf of the board 16 May 2007



Director

# Regents Business School London Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

---

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

In so far as the directors are aware

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

## **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF REGENTS BUSINESS SCHOOL LONDON LIMITED**

We have audited the financial statements on Regents Business School London Limited for the year ended 31<sup>st</sup> August 2006 which comprise the profit and loss account, the balance sheet, the principal accounting policies and notes 1 to 11. 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 that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company 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 directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF  
REGENTS BUSINESS SCHOOL LONDON LIMITED**

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of the company at 31 August 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the report of the directors is consistent with the financial statements for the year ended 31 August 2006



GRANT THORNTON UK LLP

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

4 June 2007

# Regents Business School London Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 August 2006

---

	<i>Notes</i>	2006 £	2005 £
TURNOVER	1	3,021,966	3,146,777
Administrative costs		(3,635,701)	(3,845,165)
		<u>(613,735)</u>	<u>(698,388)</u>
Other operating income	2	-	18,116
OPERATING LOSS		<u>(613,735)</u>	<u>(680,272)</u>
Interest receivable and similar income	3	30,030	70,840
		<u>30,030</u>	<u>70,840</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(583,705)	(609,432)
Tax on (loss) on ordinary activities	5	-	-
LOSS FOR THE FINANCIAL YEAR	8	<u>(583,705)</u>	<u>(609,432)</u>

All of the company's operations are classed as discontinued

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

# Regents Business School London Limited

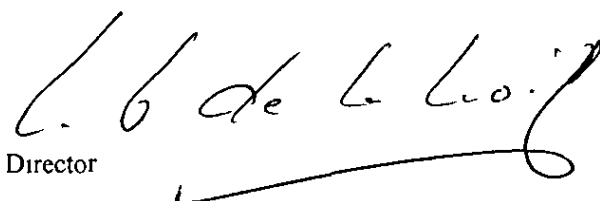
## BALANCE SHEET

31 August 2006

	<i>Notes</i>	2006 £	2005 £
CURRENT ASSETS			
Debtors	6	178,950	634,886
Cash at bank and in hand		401,914	1,240,891
		<u>580,864</u>	<u>1,875,777</u>
CREDITORS Amounts falling due within one year	7	(1,745,884)	(2,457,092)
NET CURRENT (LIABILITIES)		<u>(1,165,020)</u>	<u>(581,315)</u>
RESERVES			
Profit and loss account	8	(1,165,020)	(581,315)
		<u></u>	<u></u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Approved by the board on 16 May 2007

  
Director

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

# Regents Business School London Limited

## PRINCIPAL ACCOUNTING POLICIES

---

### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. They have been prepared under the going concern basis despite the excess of current liabilities over current assets, since the ultimate parent company has indicated its willingness to continue to support the company in order that it may continue to meet its liabilities as they fall due. The principal accounting policies of the company have remained unchanged from the prior year.

### TURNOVER

Turnover represents fees receivable for services provided during the period.

### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.



# Regents Business School London Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2006

---

1      **TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The company's turnover and loss before taxation were derived from its principal activity

2	<b>OTHER OPERATING INCOME</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>

Room hire income	-	18,116
------------------	---	--------

3	<b>INTEREST RECEIVABLE AND SIMILAR INCOME</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>

Bank interest receivable	30,030	70,840
--------------------------	--------	--------

4	<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>

Loss on ordinary activities before taxation is stated after charging Auditor's remuneration	8,000	5,517
---	-------	-------

# Regents Business School London Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2006

5	TAXATION	2006 £	2005 £
	Current taxation		
	UK corporation tax on loss for the year	-	-
	Adjustments in respect previous years	-	-
		<u>-</u>	<u>-</u>
	Tax on loss on ordinary activities	-	-
		<u>-</u>	<u>-</u>
	Factors affecting tax charge for the year		
	The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30%		
	The differences are explained below		
	Loss on ordinary activities before tax	(583,704)	(609,432)
		<u>-</u>	<u>-</u>
	Loss on the ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 – 30%)	(175,111)	(182,830)
	Effects of		
	Capital allowances in excess of depreciation	(56)	(91)
	Group relief	47,322	9,957
	Expenses not deductible for tax purposes	33,843	57,547
	Tax losses carried forward	94,002	115,417
		<u>-</u>	<u>-</u>
	Current tax charge for the year	-	-
		<u>-</u>	<u>-</u>
6	DEBTORS	2006 £	2005 £
	Trade debtors	178,950	150,141
	Other debtors	-	476,378
	Prepayments	-	8,367
		<u>178,950</u>	<u>634,886</u>

# Regents Business School London Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2006

	2006 £	2005 £
7 CREDITORS Amounts falling due within one year		
Amount owed to parent company	225,949	140,398
Social security and other taxes	1,519,935	1,044,489
Accruals and deferred income	-	1,271,205
	<u>1,745,884</u>	<u>2,457,092</u>

8 PROFIT AND LOSS ACCOUNT	2006 £	2005 £
As at 1 September 2005	(581,315)	28,117
Loss for the financial year	(583,705)	(609,432)
As at 31 August 2006	<u>(1,165,020)</u>	<u>(581,315)</u>

Regents Business School London Limited is limited by guarantee and accordingly does not have share capital. The guarantor undertakes to contribute to the assets of the company, in the event of the company being wound up, a sum not exceeding one pound for payment of the debts and liabilities of the college.

### 9 CONTINGENT LIABILITIES

The company leads a group registration for VAT purposes and is therefore jointly and severally liable for all other group companies' unpaid debts in this connection. At the balance sheet date, the VAT liabilities recorded in the financial statements of the other companies in the VAT group amounted to £1,519,935 (£1,049,583).

### 10 PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The company's parent company was College Management Services Limited.

The company's ultimate controlling party, until March 2006, was G M Payne by virtue of the majority shareholding in College Management Services Limited. On 6 March 2006, the parent company was acquired by Regent's College, which then became the ultimate parent and controlling party.

On 30 June 2006, Regent's College became the direct parent of all companies in the College Management Services Group.

# Regents Business School London Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2006

---

### 11 RELATED PARTY TRANSACTIONS

<i>Party</i>	<i>Description of transaction</i>	<i>Value of Transaction</i>	<i>Year end Balance</i>
Regent's College Limited	Recharge of rent and service charges	231,740	(225,949)
College Management Services Limited	Recharge of expenses	3,214,449	-

On 6 March 2006, Regent's College, a registered charity, became the parent company of College Management Services Limited, the then parent company of Regents Business School London Limited

On 30 June 2006, Regent's College became the direct parent of all companies in the College Management Services Group