



REGENT'S COLLEGE

## Regent's College

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 July 2010

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# Regent's College

## LEGAL AND ADMINISTRATIVE INFORMATION

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

### **Trustees**

Richard Davies (appointed 7 October 2009, resigned 22 May 2010)

Sharon Doherty<sup>3</sup>

Professor Roger King (resigned 20 April 2010)

Dr Clare McConnell (reappointed 7 October 2009)<sup>1</sup>

Ian Mehrkens – chairman from 12 May 2010

Professor Stephen Newstead (appointed 7 October 2009)<sup>3</sup>

John Ormerod (resigned 12 May 2010) – Chairman until resignation

Raj Pradhan – deputy chairman from 12 May 2010

Carol Rue (appointed 7 October 2009)<sup>2</sup>

Professor Andrew Sanders (appointed 7 October 2009)<sup>1</sup>

Bob Schuler (reappointed 12 May 2010)<sup>3</sup>

Barry Sterndale-Bennett (resigned 7 May 2010)

Tim Wilson (reappointed 12 May 2010, resigned 16 June 2010)

John Wood<sup>1,4</sup>

Sabah Zubaida (resigned 16 September 2009)

<sup>1</sup> Member of the Audit Committee at 31 July 2010

<sup>2</sup> Member of the Finance and General Purposes Committee at 31 July 2010

<sup>3</sup> Member of the Human Resources Committee at 31 July 2010

<sup>4</sup> Member of the Remuneration Committee at 31 July 2010

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

### **Chief Executive and Principal**

Professor Aldwyn Cooper

### **Secretary**

Elizabeth John (resigned 21 May 2010)

Niamh O'Sullivan (interim – 23 July 2010 to 27 August 2010)

Loretto Leavy (interim appointed 17 September 2010)

### **Registered Office and Principal Address**

Inner Circle  
Regent's Park  
London  
NW1 4NS

### **External Auditor**

BDO LLP,  
Emerald House,  
East Street,  
Epsom, Surrey  
KT17 1HS

# Regent's College

## LEGAL AND ADMINISTRATIVE INFORMATION

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### **Internal Auditors**

Deloitte & Touche Public Sector Internal Audit Limited  
Hill House,  
1 Little New Street,  
London  
EC4A 3TR

### **Solicitors**

Mills & Reeve LLP  
Francis House,  
112 Hills Road  
Cambridge  
CB2 1PH

### **Bankers**

Barclays Bank plc  
Level 28  
1 Churchill Place  
Canary Wharf  
London  
E14 5HP

### **Investment Managers**

Cazenove Capital Management Limited  
12 Moorgate  
London  
EC2R 6DA

Baring Asset Management Ltd  
PO Box 55736  
50 Bank Street  
Canary Wharf  
London  
E14 1BT

### **Insurance Brokers**

Towergate Limited  
Thames Bridge House  
Henley Bridge  
Henley on Thames  
Berkshire  
RG9 2LN

# Regent's College

## TRUSTEES' REPORT

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The Trustees are pleased to present their report for the year ended 31 July 2010. This report is prepared in accordance with the recommendations of the Statement of Recommended Practice – Accounting and Reporting by Charities (2005) and complies with applicable law.

### **Status and Administration**

Regent's College ("The College") was founded in 1984 and is a company limited by guarantee, not having a share capital. The College is a registered charity, registered at the Charity Commission under charity number 291583. It is governed by its Memorandum and Articles of Association. New Trustees are recruited by advertising in the national press and through appropriate recruitment agencies and there is a formal training and induction process for Trustees.

The Board of Trustees has complete responsibility for the stewardship of the Charity's assets; its members focus on strategic decision making and ensuring adherence to its charitable objectives whilst delegating day-to-day operational responsibilities to the Chief Executive and senior management team.

Four committees of Trustees carry out certain tasks within specific terms of reference as follows:

- Audit Committee
- Finance and General Purposes Committee
- Human Resources Committee
- Remuneration Committee

At the year end, the Board of Trustees comprised 9 trustees. As was reported last year, four trustees were appointed on 7 October 2009, but one resigned later in the financial year. In addition a further five longer serving trustees have resigned during the year. The current Board recognizes with gratitude the contribution that each of these has made to the development of the College.

### **Charitable Objects**

The Objects of the Charity, as set out in the Memorandum and Articles of Association, are the advancement of education for the public benefit and the foundation, maintenance and support of an educational college or colleges for students, both male and female, to include residential accommodation and all necessary and proper ancillary services for such establishment.

### **Board Policy**

The Trustees work to a comprehensive set of governance documents.

It is the aim of the Trustees to develop and support the delivery of the College's key strategies linked to a five-year Strategic Plan. There is an annual cycle whereby the plan is reviewed and revised to reflect changing circumstances and priorities and the plan is reconfirmed by the Trustees on an annual basis. Accordingly the most recent iteration for the period 2010-2015 was approved by the Trustees on 6 July 2010.

In addition, the Trustees' role includes:

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

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

- Excellence
- Professionalism and Employability
- Entrepreneurship
- Maximising individuals' potentials

# Regent's College

## TRUSTEES' REPORT

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- Internationalism
- Diversity
- Citizenship
- Public Benefit

### **College Strategy**

The central strategic objective for the College during the current five year planning period is the acquisition of Taught Degree Awarding Powers and progress towards full university college status to the benefit of past, present and future students and staff.

### **The College Mission**

Developing tomorrow's global leaders

### **What we are**

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

### **What we do**

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

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

### **College Structure**

The College has two faculties to deliver its core business, 'Business and Management' and 'Humanities, Arts and Social Science'. The faculties operate with a matrix structure with subject based academic departments and a number of clear brands which own and manage portfolios of programmes. The faculties comprise the following:

#### Business and Management

- European Business School London

The school provides courses of study leading to Bachelor of Arts degrees, Bachelor of Science degrees and Masters programmes validated by the Open University (The Open University Validation Service - OUVS). The academic programmes focus on intellectual and cultural depth with international perspectives and there is a special interest in learning languages. Students attend from around the world. Additionally, the School receives exchange students from overseas partner institutions.

- Regent's Business School London

The school provides courses of study leading to Bachelor of Arts and Bachelor of Science degrees, together with Masters programmes, all validated by OUVS. The academic programmes emphasize intellectual and cultural learning with students attending from around the world.

#### Humanities, Arts and Social Sciences

- Regent's American College London

This College provides courses of study leading to Bachelor of Arts and Bachelor of Science degrees, 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. Additionally the College hosts a study abroad programme for American undergraduates from universities and colleges affiliated to the Regent's American College London.

- Regent's College School of Psychotherapy & Counselling Psychology

The School 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.

# Regent's College

## TRUSTEES' REPORT

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- Webster Graduate School London

This School provides courses of study leading to Master of Arts and Master of Business Administration Degrees, accredited by Webster University of St Louis, Missouri, USA.

- London School of Film, Media and Performance

This new School has been established to develop a range of programmes in the creative industries validated by OUVS. Three programmes, BA (Hons.) Screenwriting and Producing, BA (Hons.) Acting and Global Theatre, and MA Writing for Stage and Screen, have been validated to date, and recruitment to the latter course commenced in June 2010, with the others recruiting for the start of the 2010/11 academic year.

During the year the Directorate Team comprised 7 senior managers led by the Principal provided the executive management for the College and met weekly to oversee the day-to-day operation of the College, consider emerging issues, develop policies and strategy and review risk. Underpinning this were two senior management groups, the College Academic Group and the College Corporate Support Services Group, made up of senior managers drawn from across the College, who met regularly to discuss operational issues and there was a meeting of both groups and the Directorate every 6 weeks. The Academic group has now become the Senate Academic Affairs Committee.

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

The College has two trading subsidiary companies, Internexus Centre for Language Studies Limited, a British Council accredited provider of English as a Foreign Language and Regent's College Conference Centre Limited which provides catering and conference services.

All taxable profits of both companies are transferred to Regent's College under gift aid.

### **Review of Activities and Achievements**

The dominant planning theme for 2009/2010 was:

- to submit a strong application for the award of Taught Degree Awarding Powers (TDAP) including a robust critical self evaluation which identifies College strengths and where any weaknesses are seen to exist, identifies clear plans for improving performance. The underlying strategic plan identifies the detailed milestones that are required to achieve this.

The Board of Trustees approved the submission of the application for TDAP at their meeting on 6 July 2010 and this was made in August 2010. This was the culmination of considerable effort by staff across the College to contribute to the TDAP project, fully supported by the Board of Trustees. The College is now engaged in the process of providing the required evidence to the Quality Assurance Agency over the coming year to demonstrate that it meets the 50 criteria set out for TDAP.

Underpinning the dominant planning theme were the following key milestones:

- Establish the TDAP project team and publish a clear plan of tasks, dates and responsibilities that is understood and owned by all staff.
- Engage all staff in the preparations for TDAP.
- Strengthen, enhance and embed the College's Academic handbook and ensure ownership by all academic and academic related staff.
- Enhanced teaching and learning strategy
- Implement the agreed recommendations from the Learning Resources review to enhance the student learning experience.
- Operate the performance management system for all staff and introduce the well managed personal development plan system co-coordinated through the Training and Development manager.
- Review the performance of governance and senior management and ensure that the two groups work effectively as teams with complementary responsibilities to achieve common goals.

# Regent's College

## TRUSTEES' REPORT

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- Review the operations, terms of reference and membership of Senate and its committees.
- Establish cross campus learning group to provide guidance on acquisition of learning resources and enhancement of learning and teaching strategy.
- Implement the College's Virtual Learning Environment (VLE) with full training and induction for staff and students.
- Review, strengthen and integrate all core systems.
- Finalise the line responsibilities of Faculty Registries and the Central Academic Registry.
- Review the requirements for management information and ensure that there is effective, timely reporting on all needs.
- Strengthen the promotion and support for research across the campus through clarification of procedures and budgets.

Progress against these milestones includes:

- The College's Academic handbook has been strengthened and new handbook is planned for post TDAP operations. A training programme for all academic staff has been implemented.
- A revised Teaching, Learning and Assessment Strategy was approved by Senate in July 2010.
- The newly-appointed Head of Learning Resources chairs the Learning Resources Committee which has responsibility for implementing the agreed recommendations of the review carried out in 2009. This includes the development of the College's VLE on a controlled basis, where the first phase of the roll-out to students was completed in September 2010.
- All permanent staff have taken part in performance reviews with their line manager and there is an established programme of staff development co-ordinated through the Training and Development manager.
- There has been a review of governance by both Internal Audit and by external consultants and the agreed recommendations on further improving its overall effectiveness are being implemented by the Board of Trustees and the Directorate.
- The operations, terms of reference and membership of Senate have been reviewed and a simpler, more focused structure approved on 31 March 2010.
- The Information Systems Steering Group has been established to co-ordinate integration and development of core systems. Further enhancement and improvement of the student record system have continued through the year, and in July 2010 the Board of Trustees approved the acquisition of an HR/Payroll system, a development that will make a significant difference to core systems and the ability to provide timely, relevant management information. There remains further work to be completed on defining essential management information reports.
- The structures for Faculty and Central Academic Registries have been reviewed and new arrangements have been implemented.
- Reid Hall was fully refurbished in the year, at a cost of some £1.7 million, to a standard commensurate with the quality provided to students in other institutions.
- A new Senate Research committee has been established and new research centres are being set up. Research and scholarly activity remain a key element of the role of the College's academic staff and progress has been made in formalizing arrangements for staff to balance their teaching commitment with research, while the College has been successful in winning at least 5 research grants.

In addition the College has maintained its full partnership status with OUVS and single-institution accreditation from the British Accreditation Council. It continues to hold grade A status from UK Borders Agency, with licensing for Tier 2 and Tier 4 visas, and has been awarded Highly-Trusted Status, which allows the College to continue to recruit staff and students from the around the world.

### **Public Benefit**

The Trustees recognise the obligations of the College as a Charity to contribute to public benefit. Following the publication of the guidance from the Charity Commission, including the specific guidance for educational institutions, and the outcome of the first reviews of public benefit by the Charity Commission, the Trustees have reviewed again the existing approach to public benefit.

A number of scholarships are already offered to domestic and international students for undergraduate and postgraduate programmes. A new range of "Centenary" bursaries are to be launched for students commencing at the College in the 2010 academic year. The College is keen to increase participation of students from the United

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Kingdom and in the first instance, the bursaries will only be available to UK students who meet a high standard of educational attainment, show the potential to benefit from the programmes and experience that the College offers, and who otherwise would not be able to study at the College due to financial disadvantage. The first tranche will be for up to forty full fee bursaries with additional funds for other associated study costs.

### Financial Activities and Results

#### The Financial Statements

The Financial Statements presented by the Trustees comprise the consolidated results of the College and its subsidiary companies, as detailed in note 12. As noted, apart from Regent's College Conference Centre Limited and Internexus Centre for Language Studies Limited, all the companies are dormant or have ceased to trade.

#### Results for the Period

The group's incoming resources from charitable activities for the period, as set out in note 2, were £29,502,000 compared to £25,789,000 for the year ended 31 July 2009, the increase being due to higher student enrolments across the College. The group's total incoming resources for the year were £33,573,000 compared to £30,280,000 for the year ended 31 July 2009.

The group net movement in funds for the year, which was arrived at after accounting for an unrealised loss on investments of £130,000 (2008/2009: loss of £300,000), came to a surplus of £1,138,000 (2008/2009: surplus £474,000) which was transferred to reserves. As at 31 July 2010 the reserves amounted to £15,574,000 (31 July 2009: £14,436,000).

Scholarships of £374,000 (2008/2009: £304,000) were awarded to students based on academic merit and financial need.

The group surplus for the year is better than budget and the College group is operating in line with the 5 year financial strategy. The College's core business held up very well, despite the prevailing economic climate while Internexus comfortably exceeded its income and contribution budget, but the conferencing business continued to be adversely affected by the downturn, and the College is currently reviewing this business, particularly as student numbers continue to grow.

#### Cash Flow

The Consolidated Cash Flow Statement shows there was an increase in cash for the year of £1,042,000 (2008/2009: increase of £1,985,000). The increase reflects the result for the year and the net reduction in working capital.

#### Key Performance Indicators

The financial performance of the group is closely monitored on a monthly basis by the Director of Finance and Chief Executive with both revenues and costs being compared against the Board-approved budget for the year. The most recent monthly management accounts are presented at each Board and Finance and General Purposes Committee meeting together with a commentary on activity, revenue and expense variances.

#### Reserves

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

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

The reserves strategy established in 2009 was reviewed during the financial period and minor modifications to the framework for establishing appropriate levels of reserves and the corresponding investment policy were approved by the Trustees in May 2010 on the recommendation of the Finance & General Purposes Committee.

In determining the reserves strategy of the College, the Trustees have regard to the development and annual

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revision of the strategic plan and for the production of the annual operating statement which sets out the specific targets and actions against objectives. The factors the College takes into consideration include:

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

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

- recognising the need to match variable income with fixed commitments;
- forecasting processes - avoiding unexpected changes in income and planning mechanisms for taking corrective action;
- insurance; and
- embedding Risk Management within the College.

The Charity also requires reserves for the following reasons:

- Market fluctuations could impact significantly on the number of students attending the College courses. The College's income is substantially derived from its revenues from academic programmes, with only a small contribution from investment income, and accordingly will rely on reserves if there is a temporary reduction in student numbers.
- The College has substantial ongoing commitments relating to the welfare and education of the students and needs to maintain a level of reserves sufficient to continue to meet these commitments.
- The College requires reserves to fund its ongoing intention of increasing and further developing research and consultancy activities.
- The College continues to develop a programme for investment in the refurbishment of the estate and in equipment in order to maintain and develop first class facilities for students. A substantial level of reserves is therefore required both to meet known likely expenditure up to two or three years' forward and unforeseen expenditure. Currently, larger than usual reserves are held to enable significant contributions to be made towards the funding of this programme as priorities are confirmed.

The Finance and General Purposes Committee reviews the level of the reserves on a quarterly basis to ensure that the College can meet its likely commitments and the Trustees review the Reserves Policy on an annual basis.

To meet their aims and to reduce their reliance on reserves, the Trustees actively seek opportunities for income generation.

All the reserves of the Charity are unrestricted funds. At 31 July 2010 they amounted to £15,468,000 (31 July 2009: £14,146,000) but only £8,072,000 (31 July 2009: £8,030,000) of this is freely available because the balance is invested in fixed assets. Total Group reserves were £15,574,000 at 31 July 2010 (31 July 2009: £14,436,000).

This shows that the College remains in a sound financial position.

### **Investment Policy and Results**

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

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

During the year, the Trustees completed the reallocation of the RCM investment portfolio to Baring, taking the opportunity to review the investment strategies for both investment managers. As a result of this Cazenove have 2 portfolios, one with a defensive and one with an intermediate attitude to risk, essentially tracking the market, while the Baring portfolio is more actively managed. As at 31 July 2010 the value of the investments amounted to £4,231,000 (31 July 2009: £3,754,000) compared to an original investment of £4,319,000 (31 July 2009: £3,711,000).

### **Risk Management**

The Trustees have identified the major risks to which the charity is exposed. The process involves identifying the major risks and the existing controls and processes in place to manage these, which allows the determination of the current risk exposure, together with an appropriate risk owner. Further actions to reduce further the risk are then identified, and the risk owners work to an agreed plan to implement these in order to manage the risk. The risk register is reviewed and updated each month by the Directorate and periodically by the Audit Committee, who also receive a report on the top 10 risks and significant changes at each meeting.

As part of the process to improve the general control environment, the Trustees have appointed Deloitte & Touche Public Sector Internal Audit Limited as Internal Auditors. There is an internal audit strategy approved by the Trustees on the recommendation of the Audit Committee, and Internal Audit will provide an annual opinion and a statement on overall assurance on the control environment, based on their work.

The marketing policies aim to 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 exposure to recruitment from a small geographical area.

### **Financial Risk Management Objectives and Policies**

The group's main financial instruments are cash and quoted investments. In addition, items such as trade debtors and trade creditors arise directly from its operations. The main purpose of these financial instruments is to manage the finance for the group's operations.

The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below.

The main risks arising from the group's financial instruments are market risk, liquidity risk and credit risk. The Trustees review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

#### **Market risk**

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. The group is not significantly exposed to fair value interest rate risk.

- **Currency risk**

The group is exposed to some translation and transaction foreign exchange risk. However the Trustees do not consider this risk to be material to the group's operations and accordingly there are no hedging provisions in place.

- **Price risk**

The group's exposure to price risk consists mainly of movements in the value of the group's investments in quoted shares. The group employs investment managers who work within guidelines set out by the Board. These guidelines include limits on the total investment in any one particular equity instrument, and in any one sector of the market. The aim is to try to manage price risk, as far as possible. The Trustees keep under review these guidelines and regularly review the performance of the investments and the performance of the investment managers against the guidelines set by the Trustees.

The Trustees also consider the pricing structure of the group's tuition fees relative to its competitors as a price risk.

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## TRUSTEES' REPORT

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These are regularly reviewed, and key management decisions with respect to pricing are discussed with the Trustees.

### **Liquidity risk**

The reserves policy in the Trustees' Report describes the group's policy with regards to liquidity.

### **Credit risk**

The group's principal financial assets are quoted investments, cash and trade debtors. The credit risk associated with the investments and cash is limited as the counterparties are established financial institutions. The principal credit risk arises therefore from its trade debtors. The nature of the group's client base is such that it is not significantly exposed to large customers. The Trustees therefore concentrate efforts on ensuring that the processes around the giving of credit are sufficiently robust.

### **Employment of disabled persons**

The College has an Equal Opportunities Policy which states that the College is fully committed to promoting and implementing equal opportunities for all staff. This is underpinned by a Recruitment and Selection Code of Practice.

### **Communication to staff**

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

- the Joint Consultative Committee, which provides a forum for consultation between the Directorate and representatives of all staff group;
- periodic Town Hall meetings open to all staff, where the CEO presents a summary of developments in the College and responds to questions;
- the CEO Blog, which provides information about key developments with the opportunity for staff to comment;
- the publication of a weekly E-Bulletin, one for all staff and one for all students, again providing information about developments and background to the College's activities; and
- the College intranet.

### **Payment of creditors**

The College's policy is to pay all suppliers no later than the end of the month following the month of invoicing, other than where there is a dispute regarding the invoice.

### **Outlook**

The Trustees will continue to play a significant role in the development and annual approval of a rolling five-year Strategic Plan to provide a roadmap for growth, structured to link closely with, and support, the drive for securing Taught Degree Awarding Powers for which the application has been made, and providing the sound foundation for operation as a degree-awarding institution.

The dominant planning theme for 2010/11 is Management and Sustainability, which means revenue generation and increased student numbers.

The College will launch new programmes including the first major portfolio items from the London School of Film Media and Performance. Marketing efforts commenced in 2009/10 but the first real impact on increasing student numbers will be felt in 2010-11. The College will continue to seek to attract increasing numbers of international students but will also seek to increase the numbers of domestic UK students who elect to enrol. It is expected that the College will start to become more competitive in the home market at this time as there is a probability that the fees cap will be raised, or eliminated, for public sector universities. In addition, the promotion of the College's commitment to the global perspective and the value of this to employers will make the College more attractive to learners. There will also be scholarship and bursary schemes for EU and home students.

The College will be faced with a number of economic pressures which will grow during the next five years. It is committed to investing in improved resources to enhance the learning experience.

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Space utilisation will need to be improved to accommodate the preferred option of increased student numbers on a wider range of programmes to generate revenue to cover all additional costs. Planning for new courses is taking place at present.

The Trustees will continue to set the overall academic direction including the full implementation of a range of programmes to meet the needs of students and employers and to develop enhanced collaborative relationships with other partners.

# Regent's College

## TRUSTEES' REPORT

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### Responsibilities of the Trustees of Regent's College

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the charity and the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2005 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

This report was approved by the Board of Trustees on 16 November 2010.



Trustee  
16 November 2010

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

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We have audited the financial statements of Regent's College for the year ended 31 July 2010 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

### ***Respective responsibilities of trustees and auditors***

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view 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 International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, and give a true and fair view. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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

Our report has been prepared pursuant to the requirements of the Companies Act 2006 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 2006 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

### ***Basis of audit 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and the charitable 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REGENT'S COLLEGE  
(CONTINUED)

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**Opinion**

In our opinion

- the group financial statements give a true and fair view of the state of the group's affairs as at 31 July 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the parent charitable company financial statements give a true and fair view of the state of the parent charitable company's affairs as at 31 July 2010;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

BDO LLP

James Aston, (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Epsom, Surrey, United Kingdom

Date 14 December 2010

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

# Regent's College

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

for the year ended 31 July 2010

	Notes	Year ended 31 July 2010 £000	Year ended 31 July 2009 £000
<b>Incoming Resources</b>			
Incoming resources from generating funds			
Activities for generating funds – trading subsidiaries	1	3,297	3,285
– Other	3	632	733
Investment income	4	142	471
Incoming resources from charitable activities	2	29,502	25,789
Other incoming resources		-	2
<b>Total Incoming Resources</b>		<b>33,573</b>	<b>30,280</b>
<b>Resources Expended</b>			
Costs of generating funds			
Direct costs of generating funds – trading subsidiaries	1	2,076	2,020
– Other	5	2,359	2,729
Investment management costs		4	-
Charitable activities	6	28,316	24,711
Governance costs	7	94	51
<b>Total Resources Expended</b>		<b>32,849</b>	<b>29,511</b>
<b>Net Incoming Resources Before Other Recognised Gains and Losses</b>	9	<b>724</b>	<b>769</b>
<b>Other Recognised Gains and Losses</b>			
Realised gains– disposal of investments		544	5
<b>Surplus for the year for Companies Act purposes</b>		<b>1,268</b>	<b>774</b>
Unrealised (losses) – revaluation of investments		(130)	(300)
<b>Net Movement in Funds</b>		<b>1,138</b>	<b>474</b>
Total funds brought forward at 1 August 2009		14,436	13,962
<b>Total Funds carried forward at 31 July 2010</b>		<b>15,574</b>	<b>14,436</b>

All the above results are derived from continuing activities.

All funds are unrestricted funds.

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

# Regent's College

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

for the year ended 31 July 2010

	Notes	Year ended 31 July 2010 £000	Year ended 31 July 2009 £000
<b>Incoming Resources</b>			
Incoming resources from generated funds			
Voluntary income		-	458
Activities for generating funds	3	2,227	2,464
Investment income	4	142	462
Incoming resources from charitable activities	2	29,503	25,841
Other incoming resources		-	1
<b>Total Incoming Resources</b>		<b>31,872</b>	<b>29,226</b>
<b>Resources Expended</b>			
Costs of generating funds			
Direct costs of generating funds	5	2,336	2,512
Investment management costs		4	-
Charitable activities	6	28,530	24,900
Governance costs	7	94	51
<b>Total Resources Expended</b>		<b>30,964</b>	<b>27,463</b>
<b>Net incoming Resources Before Other Recognised Gains and Losses</b>	9	<b>908</b>	<b>1,763</b>
<b>Other Recognised Gains and Losses</b>			
Realised gains – disposal of investments		544	5
<b>Surplus for the year for Companies Act purposes</b>		<b>1,452</b>	<b>1,768</b>
Unrealised(losses) – revaluation of investments		(130)	(300)
<b>Net Movement in Funds</b>		<b>1,322</b>	<b>1,468</b>
Total funds brought forward at 1 August 2009		14,146	12,678
<b>Total Funds carried forward at 31 July 2010</b>		<b>15,468</b>	<b>14,146</b>

All the above results are derived from continuing activities.

All funds are unrestricted funds.

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

# Regent's College

## BALANCE SHEETS

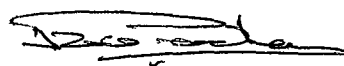
31 July 2010

	Notes	Group 31 July 2010 £000	Group 31 July 2009 £000	Charity 31 July 2010 £000	Charity 31 July 2009 £000
<b>Fixed Assets</b>					
Intangible assets	10	106	208	-	69
Tangible assets	11	7,415	6,132	7,396	6,047
Investments	12	4,231	3,754	4,316	3,839
		<u>11,752</u>	<u>10,094</u>	<u>11,712</u>	<u>9,955</u>
<b>Current Assets</b>					
Debtors	13	3,572	8,990	3,531	8,610
Short term deposits		10,992	8,176	10,442	8,176
Cash at bank and in hand		61	1,832	37	1,672
		<u>14,625</u>	<u>18,998</u>	<u>14,010</u>	<u>18,458</u>
<b>Current Liabilities</b>					
Creditors: amounts falling due within one year	14	(10,800)	(14,656)	(10,251)	(14,267)
Bank overdraft		(3)	-	(3)	-
		<u>(10,803)</u>	<u>(14,656)</u>	<u>(10,254)</u>	<u>(14,267)</u>
<b>Net Current Assets</b>		<u>3,822</u>	<u>4,342</u>	<u>3,756</u>	<u>4,191</u>
<b>TOTAL NET ASSETS</b>		<u>15,574</u>	<u>14,436</u>	<u>15,468</u>	<u>14,146</u>
<b>Unrestricted Funds</b>					
General funds	16	<u>15,574</u>	<u>14,436</u>	<u>15,468</u>	<u>14,146</u>

These financial statements were approved and authorised for issue by the Board on 16 November 2010 and signed on its behalf by



Trustee



Trustee

Company number 1791760

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

**Regent's College**  
**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 July 2010

	Notes	Year ended 31 July 2010 £000	Year ended 31 July 2009 £000
Net Cash Inflow/(Outflow) from Operating Activities	19	3,894	3,236
Return on Investments and Servicing of Finance	20	142	471
Capital Expenditure and Financial Investment	21	(2,994)	(1,722)
<b>Cash Inflow before use of Liquid Resources and Financing</b>		<b>1,042</b>	<b>1,985</b>
Management of Liquid Resources	22	(2,816)	(410)
<b>(Decrease)/ Increase in Cash for the Period</b>		<b>(1,774)</b>	<b>1,575</b>

**Reconciliation of Net Cash Flow to Movement in Net Funds**

	Notes	Year ended 31 July 2010 £000	Year ended 31 July 2009 £000
(Decrease)/Increase in Cash in the Period		(1,774)	1,575
Cash used to Increase Liquid Resources		2,816	410
<b>Change in Net Funds</b>		<b>1,042</b>	<b>1,985</b>
<b>Opening Net Funds at 1 August</b>		<b>10,008</b>	<b>8,023</b>
<b>Closing Net Funds at 31 July</b>	23	<b>11,050</b>	<b>10,008</b>

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 United Kingdom accounting standards. They have also been prepared in accordance with the Companies Act 2006 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) that was issued in March 2005.

The group financial statements consolidate the financial statements of Regent's College and all its subsidiaries made up to 31 July 2010.

The Trustees have reviewed the accounting policies and consider they remain appropriate. The principal accounting policies of the charitable company and the group have remained unchanged from the previous year and are set out below.

### ***Intangible Fixed Assets and Amortisation***

Intangible fixed assets represent:

- goodwill that arose on acquisition of College Management Services Limited and its subsidiary companies ;
- the goodwill transferred from European Business School Educational Trust Limited which originally arose on its acquisition of the business of European Business School (UK) Limited; and
- goodwill that arose on acquisition of Internexus Centre for Language Studies Limited.

Amortisation has been provided to write off the assets over an anticipated useful life of up to 3 years for goodwill arising on acquisition of College Management Services Limited and its subsidiary companies, 15 years for goodwill transferred from European Business School Educational Trust Limited and 5 years for goodwill arising on acquisition of Internexus Centre for Language Studies Limited.

### ***Tangible Fixed Assets and Depreciation***

Tangible fixed assets costing more than £5,000 (£500 to 31 August 2007) are capitalised and are stated at historic cost.

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

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

### ***Investments***

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

### ***Pensions***

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

# Regent's College

## PRINCIPAL ACCOUNTING POLICIES

---

### ***Taxation Status***

Due to the nature of the College's outputs, value added tax on its inputs is not fully recoverable. Irrecoverable value added tax incurred is capitalised when it relates to items of a capital nature and charged to the 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.

### ***Incoming Resources***

Income from commercial trading activities, and from charitable activities, is recognised at the point at which it is earned. Tuition fees, and other similar income, are recognised evenly over the period of the relevant course.

Investment income is recognised in the year in which it arises.

Gifts are recognised at the point at which the group is unconditionally entitled to their receipt.

### ***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 and in accordance with the requirements of SORP 2005. These estimates are based on staff time, space occupied or student numbers as appropriate.

Governance costs are primarily associated with constitutional and statutory requirements.

**Regent's College**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 July 2010

**I. Net Income from Trading Activities of Subsidiaries**

The charity has two wholly and directly owned trading subsidiary undertakings:

- Regent's College Conference Centre Limited, which is involved in the provision of conference facilities; and
- Internexus Centre for Language Studies Limited, which provides all kinds of educational facilities and services.

In addition, as set out in note 12, there are 5 subsidiary companies which have ceased to trade and 6 dormant subsidiary companies, none of which received income or incurred expenditure during the year.

Accounts for each company are being filed with the Registrar of Companies.

A summary of the trading results for the trading subsidiaries is shown below:

	<b>Regent's College Conference Centre Limited £000</b>	<b>Internexus Centre for Language Studies Limited £000</b>	<b>Year ended 31 July 2010 Total £000</b>	<b>Year ended 31 July 2009 Total £000</b>
Turnover	2,264	1,279	3,543	3,378
Cost of sales	(872)	(433)	(1,305)	(1,325)
Gross profit	<u>1,392</u>	<u>846</u>	<u>2,238</u>	<u>2,053</u>
Administration costs	(1,573)	(815)	(2,388)	(2,821)
Operating profit/(loss)	<u>(181)</u>	<u>31</u>	<u>(150)</u>	<u>(768)</u>
Interest receivable	-	-	-	9
Net profit/(loss)	<u>(181)</u>	<u>31</u>	<u>(150)</u>	<u>(759)</u>
Turnover not relating to intercompany recharges	<u>2,018</u>	<u>1,279</u>	<u>3,297</u>	<u>3,285</u>
Administration expenses and costs of sales not relating to intercompany recharges	<u>(1,507)</u>	<u>(569)</u>	<u>(2,076)</u>	<u>(2,020)</u>

**Regent's College**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 July 2010

2. *Charitable Activities*

	<b>Group Year ended 31 July 2010 £000</b>	<b>Group Year ended 31 July 2009 £000</b>	<b>Charity Year ended 31 July 2010 £000</b>	<b>Charity Year ended 31 July 2009 £000</b>
Car park	113	118	114	118
Tuition and registration fees	26,482	23,189	26,482	22,189
Trips and excursions	123	121	123	121
Meals	1,276	1,072	1,276	1,072
Residences and laundry	1,771	1,190	1,771	1,242
Library fees	5	6	5	6
Gymnasium	10	11	10	11
IT Centre and ID Cards	5	4	5	4
Exchange gain/(loss)	91	382	91	382
Bursaries, scholarships and discounts	(374)	(304)	(374)	(304)
	<b>29,502</b>	<b>25,789</b>	<b>29,503</b>	<b>25,841</b>

The incoming resources of the charity during the period were all derived in the same geographical area. 165 scholarships were granted to individuals in the period ended 31 July 2010 (2009: 167).

3. *Activities for Generating Funds - Other*

	<b>Group Year ended 31 July 2010 £000</b>	<b>Group Year ended 31 July 2009 £000</b>	<b>Charity Year ended 31 July 2010 £000</b>	<b>Charity Year ended 31 July 2009 £000</b>
Rental income	75	96	803	1,055
Central services	1	6	859	670
Catering income	556	631	565	739
	<b>632</b>	<b>733</b>	<b>2,227</b>	<b>2,464</b>

Regent's College  
 NOTES TO THE FINANCIAL STATEMENTS  
 for the year ended 31 July 2010

4. *Investment Income*

	Group Year ended 31 July 2010 £000	Group Year ended 31 July 2009 £000	Charity Year ended 31 July 2010 £000	Charity Year ended 31 July 2009 £000
Bank interest receivable	79	396	79	387
Other interest receivable	1	12	1	12
Dividend income	62	63	62	63
	<u>142</u>	<u>471</u>	<u>142</u>	<u>462</u>

5. *Direct Cost of Generating Funds - Other*

	Group Year ended 31 July 2010 £000	Group Year ended 31 July 2009 £000	Charity Year ended 31 July 2010 £000	Charity Year ended 31 July 2009 £000
Premises costs	754	997	754	997
Central services	504	329	504	329
Cost of catering	649	823	649	823
Management costs	350	315	360	322
Bad debts	-	-	-	13
Goodwill amortisation	102	265	69	28
Loss on disposal of fixed assets	-	-	-	-
	<u>2,359</u>	<u>2,729</u>	<u>2,336</u>	<u>2,512</u>

**Regent's College**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 July 2010

6. *Cost of Charitable Activities*

GROUP			Year	Year
	Direct	Support	ended	ended
	costs	costs	31 July	31 July
	£000	£000	2010	2009
			£000	£000
Commission	603	-	603	578
Car park	17	-	17	2
Tuition costs – teaching	10,674	-	10,674	9,563
Trips and excursions	170	-	170	170
Cost of meals	1,331	-	1,331	1,150
Careers and placements	239	-	239	234
Alumni and development	176	-	176	146
Telephone	63	8	71	56
Bad debt provisions	270	-	270	196
VAT, including non-recoverable	-	-	-	-
Premises costs	6,046	177	6,223	5,681
Central services	6,370	-	6,370	4,617
Legal and professional	-	307	307	330
Management costs	-	1,865	1,865	1,726
Loss on disposal of fixed assets	-	-	-	262
	<b>25,959</b>	<b>2,357</b>	<b>28,316</b>	<b>24,711</b>

CHARITY			Year	Year
	Direct	Support	ended	ended
	costs	costs	31 July	31 July
	£000	£000	2010	2009
			Total	Total
			£000	£000
Commission	603	-	603	578
Car park	17	-	17	2
Tuition costs – teaching	10,800	-	10,800	9,698
Trips and excursions	170	-	170	170
Cost of meals	1,331	-	1,331	1,150
Careers and placements	242	-	242	235
Alumni and Development	178	-	178	146
Telephone	63	8	71	56
Bad debt provisions	270	-	270	196
VAT, including non-recoverable	-	-	-	-
Premises costs	6,046	177	6,223	5,681
Central services	6,408	-	6,408	4,637
Legal and professional	-	307	307	330
Management costs	-	1,910	1,910	1,759
Loss on disposal of fixed assets	-	-	-	262
	<b>26,128</b>	<b>2,402</b>	<b>28,530</b>	<b>24,900</b>

Regent's College  
 NOTES TO THE FINANCIAL STATEMENTS  
 for the year ended 31 July 2010

7. Governance Costs

	Group Year ended 31 July 2010 £000	Group Year ended 31 July 2009 £000	Charity Year ended 31 July 2010 £000	Charity Year ended 31 July 2009 £000
Legal and professional	42	9	42	9
Audit and accountancy (excluding VAT)	52	42	52	42
	<u>94</u>	<u>51</u>	<u>94</u>	<u>51</u>

8. Employees

	Group Year ended 31 July 2010 No.	Group Year ended 31 July 2009 No.	Charity Year ended 31 July 2010 No.	Charity Year ended 31 July 2009 No.
The average number of persons (excluding Trustees) employed during the period was:				
Management and administration	178	163	166	153
Academic	206	191	197	185
Total average full time equivalent	<u>384</u>	<u>354</u>	<u>363</u>	<u>338</u>

	Group Year ended 31 July 2010 £000	Group Year ended 31 July 2009 £000	Charity Year ended 31 July 2010 £000	Charity Year ended 31 July 2009 £000
Staff costs for the above persons:				
Wages and salaries	12,703	11,612	12,071	11,173
Social security costs	1,302	1,207	1,246	1,157
Other pension costs	1,517	957	1,449	916
	<u>15,522</u>	<u>13,776</u>	<u>14,766</u>	<u>13,246</u>

No remuneration was paid to Trustees in the period.

Thirteen Trustees were reimbursed for travel and subsistence expenses for attending meetings during the period. The aggregate amount reimbursed was £22,292 (2009: £5,252).

A payment of £10,999 was made to Mr. T. Wilson on 16 April 2010 comprising £10,487 for consultancy services and £512 expenses relating to a review of the future structure of the College executive management. This payment was made under the authority of paragraph 6 of the Memorandum of Association then in force.

The Board considered that Mr. Wilson's business experience and knowledge of the College and its management structure made him better suited to carry out the work than an external consultant.

**Regent's College**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 July 2010

**8. Employees (continued)**

	<b>Group Year ended 31 July 2010 No.</b>	<b>Group Year ended 31 July 2009 No.</b>	<b>Charity Year ended 31 July 2010 No.</b>	<b>Charity Year ended 31 July 2009 No.</b>
The number of employees with emoluments of £60,000 or more during the period for Regent's College and its subsidiaries was :				
£60,000 – £69,999	4	2	4	2
£70,000 – £79,999	3	2	3	2
£80,000 – £89,999	5	4	5	4
£90,000 – £99,999	3	3	3	3
£160,000 – £169,999	-	1	-	1
£170,000 – £179,999	1	-	1	-
	<u>16</u>	<u>12</u>	<u>16</u>	<u>12</u>

Pension costs relating to 16 (2009: 12) employees earning more than £60,000 during the period were £99,813 (2009: £101,213).

**9. Net Incoming Resources**

	<b>Group Year ended 31 July 2010 £000</b>	<b>Group Year ended 31 July 2009 £000</b>	<b>Charity Year ended 31 July 2010 £000</b>	<b>Charity Year ended 31 July 2009 £000</b>
Net incoming resources is stated after charging/(crediting):				
Operating lease rental – land and buildings	1,545	1,545	1,545	1,545
Depreciation – owned assets	1,648	1,568	1,582	1,491
Amortisation	102	264	69	28
Exchange (gains)	(91)	(382)	(91)	(382)
Auditors' remuneration (excluding VAT)				
- Audit services – charity	44	42	44	42
- subsidiary companies	4	4	4	-
- Other services	18	15	18	15
Gain on disposal of fixed investment assets	(544)	(5)	(544)	(5)
	<u>1,545</u>	<u>1,568</u>	<u>1,545</u>	<u>1,491</u>

Regent's College  
 NOTES TO THE FINANCIAL STATEMENTS  
 for the year ended 31 July 2010

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10. *Intangible Fixed Assets*

GROUP	Goodwill £000
Cost	
1 August 2009	1,688
Additions	-
31 July 2010	<u>1,688</u>
Amortisation	
1 August 2009	1,480
Charged in the year	102
31 July 2010	<u>1,582</u>
Net book value	
31 July 2010	<u>106</u>
31 July 2009	<u>208</u>
CHARITY	Goodwill £000
Cost	
1 August 2009 and 31 July 2010	434
Amortisation	
1 August 2009	365
Charged in the year	69
31 July 2010	<u>434</u>
Net book value	
31 July 2010	<u>-</u>
31 July 2009	<u>69</u>

**Regent's College**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 July 2010

**11. Tangible Fixed Assets**

GROUP	Short leasehold improvements £000	Computer equipment £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost						
1 August 2009	9,083	1,834	1,190	2,783	52	14,942
Additions	2,096	324	38	464	9	2,931
<b>31 July 2010</b>	<b>11,179</b>	<b>2,158</b>	<b>1,228</b>	<b>3,247</b>	<b>61</b>	<b>17,873</b>
Depreciation						
1 August 2009	5,011	1,106	702	1,976	15	8,810
Charged in the year	784	205	204	440	15	1,648
<b>31 July 2010</b>	<b>5,795</b>	<b>1,311</b>	<b>906</b>	<b>2,416</b>	<b>30</b>	<b>10,458</b>
Net book value						
<b>31 July 2010</b>	<b>5,384</b>	<b>847</b>	<b>322</b>	<b>831</b>	<b>31</b>	<b>7,415</b>
<b>31 July 2009</b>	<b>4,072</b>	<b>728</b>	<b>488</b>	<b>807</b>	<b>37</b>	<b>6,132</b>
CHARITY						
Cost						
1 August 2009	9,083	1,766	1,190	2,284	52	14,375
Additions	2,096	324	38	464	9	2,931
<b>31 July 2010</b>	<b>11,179</b>	<b>2,090</b>	<b>1,228</b>	<b>2,748</b>	<b>61</b>	<b>17,306</b>
Depreciation						
1 August 2009	5,011	1,039	702	1,561	15	8,328
Charged in the year	784	204	204	375	15	1,582
<b>31 July 2010</b>	<b>5,795</b>	<b>1,243</b>	<b>906</b>	<b>1,936</b>	<b>30</b>	<b>9,910</b>
Net book value						
<b>31 July 2010</b>	<b>5,384</b>	<b>847</b>	<b>322</b>	<b>812</b>	<b>31</b>	<b>7,396</b>
<b>31 July 2009</b>	<b>4,072</b>	<b>727</b>	<b>488</b>	<b>723</b>	<b>37</b>	<b>6,047</b>

**Regent's College**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 July 2010

**12. Fixed Asset Investments**

	<b>Group</b> <b>31 July</b> <b>2010</b> <b>£000</b>	<b>Group</b> <b>31 July</b> <b>2009</b> <b>£000</b>	Charity 31 July 2010 £000	Charity 31 July 2009 £000
Quoted investments and cash deposits	4,231	3,754	4,231	3,754
Subsidiary undertakings	-	-	85	85
	<u>4,231</u>	<u>3,754</u>	<u>4,316</u>	<u>3,839</u>

**GROUP AND CHARITY**

	£000
Quoted investments and cash deposits:	
Market value at 1 August 2009	3,754
Less: Disposals at original cost (proceeds £4,692,711; profit £544,070)	(4,149)
Add: Acquisitions at cost	4,756
Net losses on revaluation at 31 July 2010	(130)
Market value at 31 July 2010	<u>4,231</u>

	Quoted investments £000	Cash deposits £000	Total £000
Investment assets in the UK	3,953	47	4,000
Investment assets outside the UK	231	-	231
31 July 2010	<u>4,184</u>	<u>47</u>	<u>4,231</u>
Market value:			
31 July 2010	<u>4,184</u>	<u>47</u>	<u>4,231</u>
31 July 2009	<u>3,337</u>	<u>417</u>	<u>3,754</u>
Historic cost of the above investments was:			
31 July 2010	<u>4,272</u>	<u>47</u>	<u>4,319</u>
31 July 2009	<u>3,294</u>	<u>417</u>	<u>3,711</u>

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

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12. *Investments (continued)*

Investments in individual entities held at 31 July 2010 which are over 5% of portfolio by value are:

	£000
Barings Targeted Return Fund	2,067
Cazenove Investment Fund Management Income Trust For Charities	745
Cazenove Investment Fund Management Growth Trust For Charities	515
Cazenove Investment Fund Management Absolute Return Trust For Charity	281

All investments are held indirectly through common investment funds.

CHARITY	31 July 2010 £	31 July 2009 £
Subsidiary undertakings	84,741	84,741

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 Conference Centre Limited	2 ordinary £1 shares	100%	Provision of conference facilities
Internexus Centre for Language Studies Limited	100 ordinary £1 shares	100%	Provision of all kinds of educational facilities and services.
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 Graduate Studies Centre Limited	2 ordinary £1 shares	100%	Dormant
Regent's College School of Psychotherapy and Counselling Limited	2 ordinary £1 shares	100%	Ceased trading
College Management Services Limited	100 ordinary £1 shares	100%	Ceased trading
European Business School (London) Limited	10 ordinary £1 shares	100%	Dormant

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**12. Investments (continued)**

College Bookshop Limited	2 ordinary £1 shares	100%	Ceased trading
Study Abroad International Limited	2 ordinary £1 shares	100%	Dormant
Regents Business School London Limited	Limited by guarantee	100%	Ceased trading
News World Graduate School Limited	Limited by guarantee	100%	Dormant
Regents International Study Centre London Limited	Limited by guarantee	100%	Ceased trading

**13. Debtors**

	<b>Group</b> <b>31 July</b> <b>2010</b> <b>£000</b>	<b>Group</b> <b>31 July</b> <b>2009</b> <b>£000</b>	<b>Charity</b> <b>31 July</b> <b>2010</b> <b>£000</b>	<b>Charity</b> <b>31 July</b> <b>2009</b> <b>£000</b>
Trade debtors	2,154	7,926	1,839	7,668
Amounts due from group undertakings	-	-	483	104
Other debtors	135	137	130	102
Prepayments and accrued income	1,283	927	1,079	736
	<b>3,572</b>	<b>8,990</b>	<b>3,531</b>	<b>8,610</b>

**14. Creditors: Amounts falling due within one year**

	<b>Group</b> <b>31 July</b> <b>2010</b> <b>£000</b>	<b>Group</b> <b>31 July</b> <b>2009</b> <b>£000</b>	<b>Charity</b> <b>31 July</b> <b>2010</b> <b>£000</b>	<b>Charity</b> <b>31 July</b> <b>2009</b> <b>£000</b>
Trade creditors	1,129	849	918	650
Amounts due to group undertakings	-	-	139	236
Other taxation and social security costs	492	399	463	385
Other creditors	1,036	572	983	519
Accruals and deferred income	8,143	12,836	7,748	12,477
	<b>10,800</b>	<b>14,656</b>	<b>10,251</b>	<b>14,267</b>

**Regent's College**  
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**15. Guarantee**

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

**16. Unrestricted Funds**

	General funds 31 July 2010 £000	General funds 31 July 2009 £000
<b>GROUP</b>		
Balance at 1 August	<b>14,436</b>	<b>13,962</b>
Net movement in funds for the period	<b>1,138</b>	<b>474</b>
Balance at 31 July	<b>15,574</b>	<b>14,436</b>
<b>CHARITY</b>		
Balance at 1 August	14,146	12,678
Net movement in funds for the period	1,322	1,468
Balance at 31 July	15,468	14,146

**17. Commitments and Contingent Liabilities**

- i) At 31 July 2010 the group had annual commitments under non-cancellable operating leases as follows:

	31 July 2010 £000	31 July 2009 £000
Land and buildings next 12 months	<b>1,941</b>	1,583
Land and buildings 12 - 24 months	<b>2,282</b>	1,941
Land and buildings 26 - 36 months	<b>3,150</b>	2,882
Land and buildings after 36 months	<b>3,150</b>	3,150

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) Regent's College is included in a group registration for VAT purposes and is therefore jointly and severally liable for all the VAT liabilities (including, where applicable, penalties and accrued interest) of other group companies. At the balance sheet date, the VAT liabilities recorded amounted to £88,000 (2009: £53,000), all provided in this company.
- iii) Regent's College continues to support a number of its subsidiary undertakings, in order that they may continue to meet their liabilities as they fall due.

**18. Pensions**

The group contributes a defined amount to specified Personal Policies taken out by eligible employees. Contributions are charged as incurred. There were outstanding contributions in relation to the group and the charitable company amounting to £248,420 as at the balance sheet date (31 July 2009: £74,960). Pension costs during the period were £1,517,000 (31 July 2009: £957,000).

**Regent's College**  
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**19. Reconciliation of Net Cash Flow from Operating Activities**

	<b>Year ended 31 July 2010 £000</b>	<b>Year ended 31 July 2009 £000</b>
Net Incoming Resources before Tax	724	769
Investment Income	(80)	(408)
Dividends Received	(62)	(63)
Depreciation	1,648	1,568
Amortisation of Intangibles	102	264
Loss on Disposal of Tangible Fixed Assets	-	261
Decrease in Debtors	5,418	1,922
Decrease in Creditors	(3,856)	(1,077)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>3,894</b>	<b>3,236</b>

**20. Returns on Investments and Servicing of Finance**

	<b>Year ended 31 July 2010 £000</b>	<b>Year ended 31 July 2009 £000</b>
Income from Short Term Investments/Interest Received	80	408
Dividends Received	62	63
<b>Net Cash Inflow from Returns on Investments and Servicing of Finance</b>	<b>142</b>	<b>471</b>

**21. Capital Expenditure and Financial Investment**

	<b>Year ended 31 July 2010 £000</b>	<b>Year ended 31 July 2009 £000</b>
Payments to acquire subsidiary company	-	(85)
Payments to Acquire Tangible Fixed Assets	(2,931)	(1,637)
Proceeds from Disposal of Tangible Fixed Assets	-	9
Fund Management Assets Acquired	(4,756)	(194)
Receipts from Sales of Fund Management Assets	4,693	119
Cash acquired on purchase of subsidiary company	-	66
<b>Net Cash Outflow from Capital Expenditure and Financial Investment</b>	<b>(2,994)</b>	<b>(1,722)</b>

**Regent's College**  
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**22. Management of Liquid Resources**

	<b>Year ended 31 July 2010 £000</b>	<b>Year ended 31 July 2009 £000</b>
(increase)/Decrease in short term deposits	(2,816)	(410)
<b>Net Cash (Outflow)/Inflow from Management of Liquid Resources</b>	<b>(2,816)</b>	<b>(410)</b>

**23. Analysis of changes in Net Funds**

	1 August 2009 Group £000	Cashflows £000	31 July 2010 Group £000
<b>Funds</b>			
Cash in Hand, at Bank	1,832	(1,771)	61
Bank overdraft	-	(3)	(3)
	<u>1,832</u>	<u>(1,774)</u>	<u>58</u>
Short term deposits	8,176	2,816	10,992
	<u>10,008</u>	<u>1,042</u>	<u>11,050</u>

**24. Acquisitions**

On 1<sup>st</sup> November 2008, Regent's College acquired the entire share capital of Internexus Centre for Language Studies Limited. Total consideration and related costs for the acquisition of the company was £84,618.

The company when acquired was as follows:

	Book value of assets £000	Fair Value adjustments £000	Fair Value of assets £000
Fixed assets	4	(4)	-
Debtors	31	-	31
Cash at bank	66	-	66
Creditors, deferred revenue and accruals	(181)	-	(181)
Provision for liabilities	6	-	6
	<u>(74)</u>	<u>(4)</u>	<u>(78)</u>
Goodwill			163
Cost of acquisition			<u>85</u>