Regent's University London Limited

REPORT AND FINANCIAL STATEMENTS

Period ended 30 June 2022

Company Registration No. 12734671

Contents

Regent's University London Limited
LEGAL AND ADMINISTRATIVE INFORMATION

Directors
Nicholas Whitaker –Chair* [2, 3]
Professor Geoff Smith– Vice-Chancellor & CEO [3]
Alison Allden OBE [1, 2]
Bruno Mourgue d'Algue [1, 3]
Professor Markus Alexander Castulus Kolo [1]
Sébastien Ferrand [2]

[1] Member of the Audit and Risk Committee at 30 June 2022
[2] Member of the Remuneration Committee at 30 June 2022
[3] Member of the Nominations Committee at 30 June 2022

*The Chair of the Board is ex-officio member of the committees, except for the Audit & Risk Committee. The Chair does not normally attend the Audit & Risk Committee unless invited.

Vice-Chancellor & Chief Executive Officer
Professor Geoff Smith

Secretary
Dr Aoife McGuiness – Resigned 11 October 2022

Registered Office and Principal Address
Inner Circle
Regent's Park
London
NW1 4NS

External Auditors
Deloitte LLP
Abbots House
Abbey Street
Reading
RG13BD

Internal Auditors
Mazars LLP
30 Old Bailey
London
EC4M 7AU

Solicitors
Withers
20 old Bailey
London
EC4M 7AN

Bankers

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

BNP Paribas
London Branch
10 Harewood Avenue
London
NW1 6AA

Insurance Brokers

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

University Background

The company was incorporated on 10 July 2020 and is a private company limited by share capital. The University business was transferred from the Inner Circle Educational Trust (ICET) on 29 September 2020.

From 30 September 2020, the company operated a university which was a registered English Higher Provider with the Office for Students (UKPRN 10086591). This report summarises the University’s activities in the year ended 30 June 2022. This report and the financial statements are prepared in accordance with the Accounts Direction OfS 2019.41 issued by the OfS in October 2019 and complies with applicable law.

University Strategy

The University launched the 2021-25 Strategic Plan in June 2021. The University’s purpose is characterised as ‘Developing Tomorrow’s Global Leaders’. The vision is one of long-term commercial and reputational growth, driven by rising enrolments and great graduate outcomes.

The plan contains three Strategic Objectives:

1. Providing a well-connected, future-facing, entrepreneurial, cosmopolitan and personalised education whereby every student can achieve their full potential.

2. Growing an agile, collaborative and data-led culture whereby every employee can contribute with purpose.

3. Improving our financial performance so that the University can continue to invest in our future.

Performance Review

The University’s financial performance in the year ended 30 June 2022 was stronger than anticipated, outperforming both budget and reforecast. Whilst still in a recovery phase following the significant impact from Covid-19, student numbers and their associated revenue streams were better than expected and costs continue to be carefully managed.

The University’s results for the year to 30 June 2022 show an adjusted profit of £0.7m (£4.1m 2020/21). The adjusted profit is positive against a budgeted loss of £2.7m. The adjusted profit in 2020/21 was due to the 9-month period incorporating the academic year 2020/21, and related revenue from teaching, but only 9 months of costs. The 2021/22 adjusted profit was better than forecast driven by a stronger revenue in both core teaching activity and other non-core activity, particularly the conferencing and events business which recovered quickly and exceeded pre-pandemic levels of sales.

The principal risks and uncertainties facing the company are described on pages 17 to 19 in the Statement of Corporate Governance and Internal Control.

Financial Activities and Results

Financial Highlights

RESULTS, CASHFLOWS AND RESERVES	Year ended 30 June 2022 £000	*Period ended 30 June 2021 £000*
Total Income	38,398	31,619
Total Expenditure	39,703	28,983
(Loss)/profit Before Other Losses	(1,305)	2,636
(Loss)/profit Before Taxation	(1,305)	2,634
Adjusted profit (*)	704	4,112
Adjusted profit (%)	1.83%	13.0%
Net Cash from / (used in) Operating Activities (After Taxation)	1,893	(8,108)
Fixed Assets	10,091	9,719
Net Current Assets	17,858	19,784
Total Shareholders' Funds	24,286	24,924

(*) – As per adjusted profit calculation from profit for the period on page 7

The Financial Statements

The Financial Statements presented by the Directors comprise the results of the University. In the year, the University owned one subsidiary company, Regent's Conferences & Events Limited. The conferencing & events activity was hived-up to the University from 1 January 2021. A consolidated set of financial statements has not been prepared as this entity is immaterial to the group and the company was struck-off on 8 March 2022.

Results for the Period

The University's total income for the year was £38.4m compared with a forecast of £37.7m. New student numbers exceeded budget by 10.5% across the two intakes in autumn 2021 and spring 2022.

Non-teaching income streams were significantly impacted by Covid-19 due to the very limited footfall on site. Residences & Catering income was £0.2m in the 9-month period to 30 June 2021. This revenue stream recovered well as the campus reopened in September 2021, and revenue in the year to 30 June 2022 was £1.9m across the catering contract (students and staff) and accommodation in Reid Hall. Likewise, Conferencing & Events income in the 9-month period to 30 June 2021 was £0.1m with the total loss of both the lucrative summer season as well as regular clients using the campus outside of scheduled teaching time. Recovery has been stronger than anticipated with revenue of £2.5m in the year to 30 June 2022, well ahead of the reforecast revenue of £1.8m.

Pay costs of £17.2m were materially in line with forecast in 2021/22. Savings against reforecast were realised as a result of running with vacancies throughout the year. The full-time equivalent number of staff at 30 June 2022 was 328. This figure includes Visiting Lecturers. Other operating expenses of £21.8m were in line with expectations.

As at 30 June 2022, the total reserves amounted to £24.3m, with share capital representing £22.5m.

Bursaries and scholarships of £0.5m were awarded to students based on academic merit and financial need. The University continues to work with the Inner Circle Educational Trust to support students financially.

Cash Flow

The cash flow statement shows there was a £1.0m decrease in cash over the period. However, the University's net cash inflow from operating activities was £1.9m. Cash outflows linked to capital investment in the period (£2.9m) were lower than reforecast but trending back towards longer-term average spend levels. As the University recovers post-pandemic, capital investment will increase as the University continues to invest in student experience as part of the growth plan.

Key Performance Indicators

The financial performance of the University was monitored monthly by the Chief Finance Officer and Vice-Chancellor & Chief Executive with both revenues and costs being compared against the Board-approved budget for the year. The most recent monthly management accounts were presented at each Board together with a commentary on activity, revenue and expense variances.

The University's key performance indicators were agreed in 2021 as part of the Strategic Plan 2021-25 and refreshed in August 2022 for the period 2022-23 to 2024-25:

Ref	Strategic Plan Area	KPI	Actual 2019/20	Actual 2020/21	**Target 2021/22**	**Actual 2021/22**	Target 2022/23	Target 2023/24	Target 2024/25
KPI 1	Student Satisfaction	Overall satisfaction (NSS)	81.3%	78%	**80.6%**	**82.5%**	83.8%	85.5%	87.5%
KPI 2	Student Continuation	Undergraduate continuation rate (HESA)	82.6%	80.5%	**84%**	**78.6%**	84%	86%	88%
KPI 3	Graduate Level Employment	Graduate outcomes survey (HESA)	80%	79%	**80%**	**80%**	81%	82%	83%
KPI 4	Staff Engagement	Staff survey engagement index	67%	-	**75%**	**62%**	65%	70%	72%
KPI 5	New Enrolments	Degree seeking students (autumn & spring intakes)	977	599	**715**	**791**	950	957	1,031
KPI 6	Financial Performance	Adjusted profit/(loss)	(10.9)%	13.0%	**(7.3)%**	**1.8%**	4.2%	9.8%	15.9%

The KPIs for 2019/20 relate to the same business transferred from the Inner Circle Educational Trust (ICET).

The University is tracking all student related KPIs in 2021/22 (KPI1, KPI2 and KPI3). A dip was expected in KPI1 (NSS) in 2020/21 as this was a year where universities across the UK saw significant drops in student satisfaction linked to Covid-19. The annual survey in 2020/21 showed an overall student satisfaction rate of 78% at Regent's which has since recovered to 82.5% - better than the target level for this KPI. This excellent result meant that Regent's is now 3rd amongst London-based universities and 9th in England for overall student satisfaction. The overall student satisfaction rate is also 6% higher than the sector average and 5% higher than the benchmark set by the Office for Students (OfS). The targets for the periods 2022/23 to 2024/25 have been recalibrated to drive further improvement in this KPI.

KPI2 - Full retention data for 2021/22 will not be available until enrolment has been completed for the spring 2023 term in March 2023. A provisional figure has been included showing the retention rate for new students in autumn 2021 progressing to autumn 2022 term. This provisional figure shows a dip from 80.5% to 78.6%. This was expected as these students studied online rather than face-to-face due to Covid-19 restrictions. This KPI is also below the target set for 2021/22 at 84%. The targets for the period 2022/23 to 2024/25 have been revised as movement from 80.5% to 86% in a single period is not achievable. There are a several initiatives to improve retention rates, and this will remain an area of intense focus in the medium term.

KPI3 improved from 79% in 2020/21 to 80% in 2021/22 and the University met the target set for this KPI. This KPI is a lag indicator and measures the number of graduates in professional employment or further study 15 months after graduation. The University has also performed well in terms of student entrepreneurial activity. A study by Resume.io in 2021 found that 12.2% of Regent's graduates go on to form their own companies with an article in the Ladders.com concluding that 'the school with the highest density of founders is the less well-known Regent's University London'.

KPI4 – a staff survey was undertaken in 2021/22, and although there was a high response rate at 71%, the engagement index score of 62% was well below the intended target rate of 75%. However, an entirely new methodology has been adopted which renders our original targets unrealistic. The *general* UK benchmark engagement index, under this methodology, is 72% which had led us to significantly recalibrate our ambitions. Cultural change and increased engagement is as much a priority as ever but now framed by more realistic, comparative benchmark data. Following the survey, the University implemented a 4% pay increase as well as a more generous benefits package in response to feedback. A fuller review of pay ranges against market data, and changes to the benefits package will be undertaken ahead of the 2023 pay review.

KPI5 – the University has exceeded the autumn 2022 target for new student enrolments with an intake of 819 against a budget target of 700. Some risk remains in terms of spring 2023 intake, but the University is confident of exceeding the target of 250. This will impact positively on KPI6 and the reforecast for 2022/23 at 7.2% is anticipated to be stronger than the budgeted adjusted profit 4.2%.

KPI6 – the financial performance in 2021/22 was better than target driven by student enrolment as per KPI5 with higher tuition fees from stronger recruitment. The strong 2020/21 result for this KPI was the result of the 9-month period. Due to the timing of the academic year, most of the tuition revenue was realised in this period but only 9 months of costs. Other revenues recovered better than expected in 2021/22, particularly revenues from conferencing and events. The University applied tight cost control in the year across both pay and non-pay costs as the recovery from the impact of the Covid-19 pandemic continued.

Adjusted profit calculation from profit for the period

	Year ended 30 June 2022 £000	*Period ended 30 June 2021 £000*
(Loss)/profit for the period	(638)	2,424
Add back:		
Management fees	442	461
Discontinued student accommodation	227	-
Donation to ICET charity	-	400
Restructuring costs	78	1,571
Marylebone properties rent	96	651
Corporation tax	(667)	210
Bad debts – subsidiary	86	-
Exchange gains & losses	11	-
Depreciation and amortisation	2,499	1,611
Less:		
Interest receivable	(25)	-
Onerous Lease and dilapidation provision	-	(2,484)
Historic student credit balances write-off to income	-	(732)
Deferred consideration movement	(1,405)	-
Adjusted profit	704	4,112

Reserves and Strategic Risks

It is the aim of the Directors to manage the financial resources of the company to permit it to operate as a going concern. The Directors of the company recognise that they have a responsibility to manage the risks to which the activities of the company could be exposed. They actively review the major risks which the company faces on a regular basis and believe that the maintenance of reserves, combined with the annual review of risk and the controls over key financial systems will provide sufficient resources in the event of adverse conditions in respect of the University's current activities. At 30 June 2022, the University's reserves were £24.3m. Cash balances were £23.4m.

The principal risks and uncertainties faced by the University are considered in the Statement of Corporate Governance and Internal Control on pages 17 to 19.

Outlook and Going Concern

The University is confident about delivery of the five-year financial plan. The Covid-19 period with restrictions on international travel, and the ability to deliver face-to-face teaching, was extremely challenging for the University. However, student demand has recovered well and recruitment levels for spring 2022 and autumn 2022 are exceeding pre-Covid levels of 2019/20. Other revenue areas which are linked to student recruitment such as accommodation and catering are performing well, with Reid Hall at capacity for the autumn 2022 term. The University's conferencing and events business performed well over the summer period and revenues exceeded reforecast by 34%. Budgeted 2022/23 conferencing and events revenues of £2.4m are anticipated to be increased to at least £2.7m in the autumn reforecast exceeding pre-Covid-19 activity levels.

The University will continue to grow student numbers through delivery of the Strategic Plan. The course portfolio development will be led by market data, deliver growth and amplify the brand and value proposition for future students. This will include a high-quality and high-value Collaborative Provision with other higher education partners. The Curriculum Model project also forms part of the Strategic Plan and will ensure a future-facing, high quality, industry-connected learning experience. All existing courses will be revalidated within the new curriculum framework and re-launched to the market for the autumn 2023 intake.

A growing risk as the University enters the post-pandemic phase is the surge in inflation with the Consumer Prices Index moving from 2.0% in July 2021 to 10.1% in July 2022. Inflationary pressure has impacted across the University's cost base. A 4% pay award was paid from July 2022 and more pressure is anticipated in the short to medium term. OBR forecasts suggest a return to near 2% inflation by September 2023 as energy costs fall back. Tuition fees have been increased by an average of 5% from September 2023 which will help to mitigate the impact of inflationary pressures which may be locked-in the University's cost base. The university will continue to monitor the impact of inflation and competitors' fees and adjust accordingly.

The low point in the University's cash position is anticipated to be at the end of the 2022/23 financial year before re-building cash balances though surplus generation. At the low point, cash balances are anticipated to be more than £20m - an adequate level of liquidity for the size of the University. Medium-term cash flow projections will be refreshed annually with the five-year forecast to ensure any liquidity risks are managed.

Therefore, the Board of directors consider the use of the Going Concern basis for preparation of the financial statements to be appropriate

This report was approved by the Board of Directors on 23 November 2022.

Nicholas Whitaker
Director

Professor Geoff Smith
Director

The company was incorporated on 10 July 2020 and is a company limited by share capital (company number 12734671). The University business was transferred from the Inner Circle Educational Trust (ICET) on 29 September 2020. These financial statements report the results of the University for the year to 30 June 2022 and a comparative period 10 July2020 to 30 June 2021.

During the period, the company acquired a university which was a registered English Higher Provider with the Office for Students (OfS) (UKPRN 1008651). It is governed by its Articles of Association.

The Directors during the period are as mentioned in the Legal and Administrative Information on page 1.

The Board of Directors aim to meet formally at least six times a year and have responsibility for the stewardship of the company's assets and the University's strategic decision making. Day-to-day operational responsibilities are delegated to the Vice-Chancellor & Chief Executive Officer and the Vice-Chancellor's Executive Team ('VCET').

In the year to 30 June 2022, the University had one trading subsidiary company, Regent's Conferences & Events Limited which provides conferencing and catering services. From 1 January 2021 the trade from the subsidiary was hived-up to the University and the company was struck-off on 8 March 2022.

The University's Academic Committee had responsibility for academic development and standards, operating under a constitution established in 2008 and revised in 2011. This has continued to improve academic standards, the learning experience of students, the environment for study and the scholarship of its staff.

In the year ended 30 June 2022, three committees carried out certain tasks within specific terms of referenceas follows:

- Audit & Risk Committee
- Remuneration Committee
- Nominations Committee.

At 30 June 2022, the Board of Directors comprised six Directors. Details of the Board of Directors is included in the Legal and Administrative Information on page 1 of these financial statements.

Board Policy

The Directors approved a new Strategic Plan for the period 2021-2025 which was launched within the business in on 18 June 2021. Resources will be deployed to deliver the plan through an annual cycle whereby progress against the plan is reviewed and budget revised to reflect changing circumstances and priorities.

https://www.regents.ac.uk/about/strategic-plan

In addition, the Directors' role included:

- Holding the VCET to account;
- Financial, compliance, legal and risk stewardship;
- Academic assurance;
- Senior appointments;
- Ensuring transparency and accountability; and
- Monitoring the effectiveness of the Board itself.

The University Mission

Developing tomorrow's global leaders.

Our proposition

A well-connected, future-facing, entrepreneurial, cosmopolitan, and personalised university education in the heart of London.

Our Vision

Long-term commercial and reputational growth, driven by rising enrolments and great graduate outcomes.

Companies Act 2006, Section 172

Under Section 172 of the Companies Act 2006, Directors must act in good faith and promote the success of the company for the benefit of its members as a whole and in doing so have regard to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as members of the company.

Further information on how the Directors have had regards to the matters set out above are given over the following four pages.

In the period ended 30 June 2021, the Directors' approved a Strategic Plan and several priority projects to deliver the step-change required to deliver long-term commercial and reputational growth, driven by rising student enrolments and great graduate outcomes. The Directors monitor performance against the Strategic Plan and priority projects through regular progress reports to the Board.

In developing the Strategic Plan and priority projects, which are driven by an understanding of the longer-term consequences of the required actions, the Directors ensured that they considered the requirements of the student body and the company's employees. A Business Transformation team was established in the period to ensure a robust project management methodology was deployed. This team also has a key role in ensuring that across all strategic projects that key stakeholders are engaged in the design and delivery of these transformational projects. This collaborative approach, heavily involving staff andstudents in the composition of project boards as well as more operational aspects such as project meetings andworkshops is expected to deliver well-designed, stakeholder-centric outcomes.

Directors' indemnities

Directors' and officers' insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Company. The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the year to 30 June 2022 and remain in force for all current and past Directors of the Company.

Reappointment of Auditors

The audit, Deloitte LLP, will be proposed for reappointment in accordance with s487 of the Companies Act 2006.

Dividends

No dividend is proposed in relation to the year ended 30 June 2022 (2021: no dividend proposed).

Student experience

Delivering a high-quality student experience is fundamental to the success of the University. The University has started to build a distinctive curriculum model to better embody Regent's value proposition and prepare its graduates for an uncertain world. The curriculum will begin with the individual, focussing on each student's talent, potential and aspirations. Learning will embed real-world challenges, industry briefs as well as curated, specialist electives to develop global leaders. The University's new curriculum model has been successfully designed and is on-track to be launched in September 2023 across the undergraduate portfolio.

Suppliers

The University maintains a close working relationship with suppliers to align our cultures for mutual economic benefit and to ensure the best possible offer for students. The University is committed to paying the London Living Wage to all directly employed staff and those employed through outsourced contracts. The University is a member of the London University Purchasing Consortium. In part, this ensures responsible and ethical procurement within the University's supply chain.

Payment of creditors

The University's policy was to pay all suppliers no later than 30 days from the end of the month in which the invoice was received, other than where there is a dispute regarding the invoice.

Employment of disabled persons

The University has an Equality, Diversity & Inclusion Policy which states that the University is fully committed to promoting and implementing equal opportunities for all staff. This is underpinned by a recruitment and selection code of practice. The University makes reasonable adjustments to working arrangements for disabled applicants or staffwho become disabled whilst in the University's employment. The University aims to prevent or reduce any substantial disadvantage that a disabled applicant or member of staff would otherwise have. Any candidate with a disability should not be excluded unless the candidate is unable to perform a duty that is intrinsic to the role, having considered reasonable adjustments. Reasonable adjustments to the recruitment process will be made toensure that no applicant is disadvantaged because of his/her disability.

Communication and consultation with staff

The Directors and VCET used a variety of media and different channels of communication to provide staff with information about the University. These included:

- The Joint Consultative Committee (JCC), which provides a forum for consultation between the VCET and representatives of all staff groups. The Committee is formed of a cross-section of staff from both the Academic and Professional Services within the University. The JCC exists to promote transparency of operation, open communication and ensure there is a medium for colleagues to raise matters with University leadership on matters which affect them. The Committee is chaired by the HR Director and meetings are normally held quarterly. Staff can raise matters through their JCC representative who then shares the response received.
- Periodic Town Hall meetings open to all staff, where the Vice-Chancellor & Chief Executive Officer and members of the VCET present a summary of strategic developments and respond to questions. Town Hall meetings update staff on progress against the Strategic Plan, financial performance against budget and reforecast and other strategic matters including external factors which could impacton the University's performance.
- The publication of a regular e-bulletin, one for all staff and one for all students, again providing information about developments and background to the University's activities. A summary of the University's financial position is provided monthly through the e-bulletin.
- The University's intranet and the Regent's Student App, which was relaunched in August 2022, also provide important channels for the Directors and VCET to communicate to staff and students

Environmental impact

The University is committed to improving its environmental performance. The University holds ISO14001 Environmental Management demonstrating a commitment to reducing waste, energy and water consumption. The table below shows the performance across key metrics for the year to 30 June 2022 and the equivalent period in the prior year. The year to 30 June 2021 was heavily impacted by Covid-19. Whilst the building was open for the entire 2020/21 period, most teaching was delivered off-campus. This has resulted in a significant uplift across almost all metrics between 2020/21 and 2021/22, except for gas usage. As gas is used to heat the buildings, the high usage in 2020/21 was a result of ventilation measures. As the University does not have mechanical ventilation across much of the site, and therefore the University was heating the building with the windows open over the 2020/21 winter period which was inefficient but required for health and safety reasons.

Aspect	2020/21	2020/21 Intensity measure (*)	2021/22	2021/22 Intensity measure (*)	Progress	Target reduction
Electricity (kWh)	1,226,409	46 kWh/m^2	1,731,656	65 kWh/m^2	+41%	-4%
Gas (kWh)	2,620,875	99 kWh/m^2	2,605,579	99 kWh/m^2	+1%	-4%
Scope 1 Emissions from combustion of gas	482 tCO^2	N/a	477 tCO^2	N/a	-1%	-4%
Scope 2 Emissions from purchased electricity	286 tCO^2	N/a	368 tCO^2	N/a	+19%	-4%
Intensity ratio: tCO^2/m^2 from scope 1,2 & 3 market based	0.023	N/a	0.026	N/a	+12%	-4%
Water (m^3)	4,606	2 m^3/FTE	8,493	4 m^3/FTE	+84%	-4%
Waste (kg)	36,848	18 kg/FTE	182,797	88 kg/FTE	+396%	-4%
Waste (recycling rate %)	45%	N/a	57%	N/a	+27%	65% target

(*) - Intensity measures are included to aid comparability with third parties and contextualise the use of utilities and waste volume in terms of the campus physical footprint (measured in square metres) and size of workforce (measured as Full Time Equivalent staff (FTE)).

The University conducts consistent monitoring of electricity and gas as part of Green Element's energy management system. Half-hourly data provided by suppliers has been used to provide energy consumption figures for this report. Greenhouse gas emissions were calculated according to the Greenhouse Gas Protocol Corporate Greenhouse Gas Accounting and Reporting Standard. The University has purchased 100% renewable electricity for all campus supplies.

Alongside the environmental reasons for reducing energy usage, significant inflation in energy costs provides fresh impetus to continue to drive improvements in energy efficiency. The University's capital plan will continue to ensure investment to improve environmental performance.

Future Business developments

These are included under Outlook and Going Concern in the Strategic report on page 7 and 8.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The Directors recognise their responsibility for the academic assurance of the University and monitor the quality of programme delivery.

In so far as the Directors are aware:

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

This report was approved by the Board of Directors on 23 November 2022.

Nicholas Whitaker
Director

Professor Geoff Smith
Director

The governing body of the University is the Board of Directors. The Board is collectively responsible for the long-term success of the University and for setting the strategic direction. The Board has an independent Chair and ensures that the company is governed in accordance with its Articles of Association.

The Board has a strong and independent non-executive element, and no individual or group dominates its decision-making process. The Board considers that each of its non-executive directors is independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. The Articles of Association clearly set out the responsibilities and duties of individual Directors in relation to conflicts of interest. In addition to the non-executive directors, the Vice-Chancellor & Chief Executive Officer is a director.

There was a clear division of responsibility in that the roles of the Chair of the Board and Vice-Chancellor & Chief Executive Officer of the University were separate.

Formal agendas, papers and reports were supplied to Directors in a timely manner, prior to Board meetings. Briefings are also provided on an ad-hoc basis.

All Directors can take independent professional advice in furtherance of their duties at the company's expense and have access to the Company Secretary, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Company Secretary are matters for the Board as a whole.

The effectiveness of the Board and its Committees will be regularly reviewed. As a newly formed company, the Board commissioned an independent review in the period to 30 June 2021. The review assessed the University's Corporate Governance against sector best practice and its expectations across each of the Public Interest Governance Principles. A follow-up review of the Board's effectiveness was undertaken in summer 2022 and reported to the Board in September 2022. All Board members were of the view that the Board had developed over the year into an effective, working team with a good, divergent balance of skills and experience. The Board's make-up does not attempt to reflect all skills that might be of value (e.g., international sales and marketing) but it is expected that such skills and experience can be called upon from elsewhere in the Galileo Global Education group.

Committees

During the period, the work of the Board was assisted by three committees. All committees have terms of reference which have been regularly reviewed. Committee members and committee chairs are appointed by the Board and membership is regularly reviewed. The committees in place at 30 June 2022 were: Nominations Committee; Audit & Risk Committee; and Remuneration Committee. Below is a summary of the work of Nominations Committee, Remuneration Committee and Audit and Risk Committee.

Nominations Committee

Appointments to the Board are a matter for the decision of the Board as a whole. The Board has delegated to the Nominations Committee responsibility for the selection and nomination of any new Directors for the Board's consideration. The Board is responsible for ensuring that appropriate induction and training is provided to Directors as required. The Committee meets when required and is chaired by Nicholas Whitaker who is also Chair of the Board.

Remuneration Committee

The Committee's responsibility is to approve the remuneration and employment terms of members of VCET. The remuneration of the Vice-Chancellor & Chief Executive Officer is agreed by Galileo Global Education in consultation with the Chair of the Board of Directors.

A primary objective of the Remuneration Committee is to ensure that there was a formal and transparent procedure for developing a remuneration policy, and that individuals are sufficiently compensated and appropriately incentivised to deliver on the strategy. The Remuneration Committee aimed to ensure that overall levels of remuneration (including salary, benefits and bonuses) were sufficient to attract, retain and motivate staff and that they were compared to sector benchmarks. The Committee members were independent Directors with appropriate experience to carry out the functions of the Committee.

The Committee met three times year ended 30 June 2022. The Vice-Chancellor & Chief Executive Officer was not a member of the Committee but attended meetings to make recommendations on the remuneration of other members of the VCET.

Audit & Risk Committee

The Committee's purpose is to receive reports so that the Committee can advise the Board on the adequacy and effectiveness of the University's system of internal control and its arrangements for risk management, control and governance processes, the reliability and integrity of reports on the financial statements and monitoring the internal and external audit services. The Committee members are all independent Directors. Senior members of staff and the internal and external auditors are usually present at each meeting.

The Committee met three times year ended 30 June 2022. The internal and external auditors have unfettered access to the Committee. In the year up to approval of the annual accounts on 23 November 2022, the Audit & Risk Committee considered the annual accounts and associated papers, internal audit reports (plan and individual audit reports), external audit reports (external audit 2020/21, audit plan, recommendations, and management responses to recommendations), risk management and emerging risks and reviewed the effectiveness of the internal and external auditors. The Committee also received a report from the University's legal advisors following an audit which focussed on visa compliance for both students and staff.

The Committee provides assurance to the Board, based on the information presented to it over the course of the period, that the financial statements have been accurately prepared on a going concern basis, and that financial, operational, governance and compliance risks are being adequately managed.

The Committee is chaired by Alison Allden OBE.

Internal Control

Scope of responsibility
The Board was ultimately responsible for the University's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board delegates the day-to-day responsibility to the Vice-Chancellor & Chief Executive Officer for maintaining a sound system of internal control that supports the achievement of the University's policies, aims and objectives whilst safeguarding funds and assets. The Vice-Chancellor & Chief Executive Officer is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the University's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the period ended 30 June 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

Risk Management
The Board of Directors is ultimately responsible for the system of risk management and for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The role of the Board is to provide strategic oversight of the company within a framework of prudent and effective controls which enables risk to be assessed and managed. It maintains its risk management and internal control systems through regular reports to the Audit & Risk Committee and its annual report to the Board.

There exists a clearly defined risk management framework, policy, process and mechanisms for identifying, assessing, monitoring and managing risk. The company has identified categories of risk. Each risk is recorded on the strategic risk register and given a rating according to the likelihood and impact of the risk occurring. The risks are regularly reviewed and actively managed according to their severity.

During the period, the Board regularly reviewed the key risks to which the company was exposed together with the operating, financial and compliance controls that had been implemented to mitigate those risks. The Board is of the view that there is a formal on-going process for identifying, evaluating, and managing the company's significant risks that has been in place for the period ending 30 June 2022 and up to the date of approval of the annual report and accounts. The University's risk management framework is reviewed annually by the internal auditors.

The risk and control framework
The system of internal control is based on a framework of regular management information, administration procedures including the segregation of duties, and a system of delegation and accountability. It includes:

- Comprehensive budgeting process with an annual budget, which is reviewed and agreed by the Board;
- Regular reviews by the Board of periodic and annual financial reports which indicate financial performance against budget and forecasts;
- Comprehensive financial regulations, detailing financial controls and procedures, approved by the Board on an annual basis;
- Clearly defined capital investment approval and control guidelines; and
- The adoption of formal project management disciplines, where appropriate.

The University has an internal audit service. The work of the internal audit service is informed by an analysis of the risks to which the University is exposed, and annual internal audit plans will be based on this analysis. The analysis of risks and the internal audit plans will be endorsed by the Board on the recommendation of the Audit & Risk Committee.

As a minimum, the internal auditors will provide the Audit & Risk Committee with an annual report on internal audit activity in the University. The University hasalso engaged specialist advisors to provide assurance to the Audit & Risk Committee on other risks within the risk register including compliance with UKVI regulations.

Principal risks and uncertainties

The University has identified risks which are monitored by the VCET, the Audit & Risk Committee and the Board. In addition, the Academic Committee received regular reports on risk relating to the academic area. The University's Risk Management Framework sets out the University's risk appetite. Factors affecting Regent's willingness to take risks include but are not limited to:

- Alignment with the strategic vision, mission and values
- Reputation of the University
- Financial sustainability
- Academic quality and standards
- Estates and infrastructure capability and capacity

The University's tolerance for risks is considered and evaluated in a controlled manner and uncertainties are to be assessed and managed. The University will seek to mitigate or avoid any risks that significantly threaten its position as a leading, independent, higher education institution. Where risks are unavoidable, measures will be put in place to reduce the impact of the event or circumstance to an acceptable level. The University may at times pursue commercial objectives that contain an element of risk in anticipation of gaining strategic advantages or financial gain. The University adopts a proportionate response to risk management meaning that risks with a higher risk status attract more regular consideration and review. Regent's will generally accept a level of risk proportionate to the benefits expected to be gained, and the scale or likelihood of damage.

The principal risks faced by the University are:

1) Failure to achieve enrolment targets through poor adaptation to changing market and customer demand.

This risk has been mitigated through a strategic project to improve the market-alignment and appeal of the University's portfolio, as well as the speed and effectiveness of the University's course development process. Portfolio development will be data-led and inspired by changing market need. This approach will deliver growth and amplify the Regent's brand and value proposition for future students. The course portfolio and tuition fees have been agreed for September 2023 and the University is aiming to achieve year-on-year growth in new student numbers through a combination of organic growth on existing courses, and the introduction of new courses to the portfolio. Courses which fail to meet recruitment targets will be reviewed and retired if the University concludes that market demand is weak. This risk is linked to KPI5 and is tracked on a regular basis through meetings of the VCET and through Full Marketing Meetings with colleagues from both the University and Galileo Global Education.

2) Failure to deliver a high-quality student experience across the University.

Re-development of the Regent's curriculum model is a key strand of the new Strategic Plan. The Regent's model will embody a future-facing, entrepreneurial, cosmopolitan, and personalised learning experience, that delivers our Graduate Attributes. The new curriculum model has been successfully designed and approved by the Academic Committee with the first intake of students due in September 2023.

The Regent's Model will embed real-world challenges and live industry briefs, our high-value networks, a languages and culture offer, a curated selection of specialist electives to develop global leaders, and digital fluency – all co-designed with input from students, alumni, and partners. Its construction has been a shared endeavour, shaped by our academic and professional services community with input from other key stakeholders. This risk is most closely aligned and measured through KPI1, the results of the NSS. These results are analysed alongside module evaluation data to address issues and continually improve the quality of teaching and the wider student experience. The Academic Committee receives an annual report on academic assurance which incorporates metrics on both student experiences and continuation and retention rates.

3) Failure to meet continuation and retention targets.

The University has invested significant resources into the development of its student processes and systems. Student continuation is monitored closely through fortnightly VCET meetings and at Board meetings. Retention rates are significant in terms of both the financial impact and reputational impact as retention data feeds into the University's Teaching Excellence Framework (TEF) rating. The University continues to focus on retention rates across all courses and uses data to identify 'at risk' students and pro-actively engages to ensure students succeed. Retention remains a KPI tracked by VCET and the Board (KPI2).

4) Public health/pandemic risk

Whist all Covid-19 restrictions have been lifted, the University remains aware of the business continuity risk from any resurgence of Covid-19 or new pandemics. The University has returned to face-to-face delivery but maintains the ability to flip the delivery mode online should any restrictions be reintroduced in future. At the date of this report, business interruption in 2022/23 from Covid-19 is considered low, but the University remains vigilant given the high proportion of non-UK students whose ability to travel could be impacted by a resurgence.

5) Other business risks

Inflation risk – the war in Ukraine has been the principal cause of high inflation in the UK. The Consumer Prices Index (CPI) at June 2022 was 9.4%, an increase of 6.9% from June 2021. This is having a significant impact on the University's cost base, as well as eroding the disposable income of students and their sponsors. The University is actively managing its cost base, but some price increases are contractually tied to inflation indices and cannot be avoided. Energy costs in 2022/23 have been contained through forward purchasing by the Energy Consortium, although increases are expected in the final quarter of 2022/23 financial year. The University awarded a 4% pay award in 2022/23 to help counter the rising cost of living.

Tuition fee rates are set annually with reference to market data to ensure that University remains competitive and achieves recruitment targets. The University does not have 'fee-capped' status with the OfS and fees are the same irrespective of the students' nationality. Brexit and the subsequent increase in EU tuition fee rates provide an opportunity for the University as fees are now more competitive with other UK universities for EU students. The University also offers a range of scholarships and bursaries to attract students who may need financial support join the University or complete their studies if financial circumstances change. Fees have been published for 2023/24, and 2024/25 fee rates will need to balance competitive pricing alongside the need to generate additional revenues in a high-inflation environment.

Liquidity and cash flow risk – the University's cash position is considered healthy through the £22.5m cash investment by Galileo Global Education. Adequate funding is available to realise the Strategic Plan.

Currency exchange risk – all University income is invoiced and received in the local currency (GBP). Virtually all expenditure is also incurred within the United Kingdom and denominated in GBP. The University is exposed to a low level of exchange rate risk and therefore no risk management actions such as hedging are undertaken. The devaluation of Sterling against both the Dollar and Euro in late 2022 presents more upside opportunity from increased student recruitment than risk from inflationary pressure in areas such as utilities and software costs are influenced by the Dollar movement.

Credit risk – the University invoices students termly and all students must either pay the fees due or enter a payment plan before enrolling. These processes help to reduce the risk of non-payment. Bad debt costs in 2021/22 were in-line with expectations at approximately 1% of tuition fees.

Brexit risk – Brexit is anticipated to provide more opportunity than risk to the University as noted above. The University's supply chain for goods is not significantly exposed to the EU. However, the University is exposed in terms of operational risk due to a difficult labour market for cleaning and catering staff. This has been exacerbated by the impact of Covid-19 and a move of staff away from the hospitality sector. The University has mitigated risk in this area by paying the London Living Wage to all staff working through outsourced contracts and there has been no interruption or diminution of service levels in the period. The lack of stability in the UK Government makes predicting the risk of a change in the Home Office's approach to student visas difficult. The University continues to monitor this situation both directly and through Universities UK.

Review of effectiveness

The Audit & Risk Committee has responsibility for reviewing the effectiveness of the system of internal control. This review is informed by:

- The work of the internal auditors;
- The work of the senior managers within the University who have responsibility for the development and maintenance of the internal control framework; and
- Comments made by the University's external auditors, in their management letters and other reports.

The Audit & Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board's agenda includes a regular item for consideration of risk and control and receives reports thereon from management and the Audit & Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

Nicholas Whitaker
Chair of the Board
23 November 2022

Independent auditor's report to the members of Regent's University London Limited

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of Regents' University (the 'university')

- give a true and fair view of the state of the university's affairs as at *30 June 2022* and of its income and expenditure, gains and losses and changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income and expenditure;
- the statement of changes in equity;
- the balance sheet;
- the statement of cash flows;
- the principal accounting policies;
- the related notes 1 to 21; and
- Supplemental Schedule S1, being required by reference to Regent's University London accepting students under the US Department of Education student financial assistance programs.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the university in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information
The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the university's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the university or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the university's industry and its control environment, and reviewed the university's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the university operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation, the Office for Students "Regulatory Advice 9: Accounts Direction", the relevant provisions of the code of financial regulations relating to the supplemental schedule; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the universities ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- Revenue recognition, specifically with respect to deferred revenue and adjustments to revenue: we performed substantive testing of a sample of revenue adjustments and deferred income by agreeing to the cash received, invoice raised and details on the enrolment forms.
- Valuation of deferred consideration arising on the business combination due to sensitivity and judgement involved in assumptions used to value the liability. We have reviewed working papers prepared by management and developed independent assumption through the use of valuation specialist.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with the office for students (OfS).

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the university and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Opinions on other matters prescribed by the Office for Students (OfS) "Regulatory Advice 9: Accounts Direction"

In our opinion, in all material respects:

- funds from whatever source administered by the university for specific purposes have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS and UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

Independent auditor's report to the members of Regent's University London Limited

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Under the OfS Regulatory Advice 9: Accounts Direction, we are required to report in respect of the following matters if, in our opinion:

- the provider's grant and fee income, as disclosed in the note 1(b) to the accounts, has been materially misstated;

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the university's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the university'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 university and the university's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Thomas

Paul Thomas, DPhil, MChem, ACA
For and on behalf of Deloitte LLP
Senior statutory Auditor
Reading, United Kingdom
Date: 23 November 2022

Regent's University London Limited
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
for the year ended 30 June 2022

	Notes	**Year ended 30 June 2022 £000**	***Period ended 30 June 2021 £000***
Income			
Tuition fees	1	33,650	31,031
Other income	2	4,723	584
Investment income	3	25	4
Total Income		38,398	31,619
Expenditure			
Staff costs	4	17,230	15,251
Other operating expenses	6	21,840	12,257
Depreciation	10	2,030	1,467
Interest and other finance (income)/costs	5	(1,397)	8
Total Expenditure		39,703	28,983
(Deficit)/surplus before other losses		(1,305)	2,636
Loss on investments	7	-	(2)
(Deficit)/surplus before tax		(1,305)	2,634
Tax credit/(charge)	8	667	(210)
(Loss)/profit for the period		(638)	2,424
Represented by:			
Unrestricted comprehensive (expenditure)/income for the year		(638)	2,424

All items of income and expenditure relate to continuing activities.

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

Regent's University London Limited
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2022

	Share Capital	**Income and expenditure account** *Unrestricted*	**Total**
	£000	**£000**	**£000**
Balance at 10 July 2020	-	-	-
Initial Capital on incorporation	1	-	1
Additional capital paid in	22,499	-	22,499
Total comprehensive income for the period	-	2,424	2,424
Balance at 30 June 2021	22,500	2,424	24,924
Total comprehensive (expenditure)/income for the year	-	(638)	(638)
Balance at 30 June 2022	22,500	1,786	24,286

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

Regent's University London Limited
BALANCE SHEET
As at 30 June 2022

	Notes	30 June 2022 £000	30 June 2021 £000
Fixed Assets			
Intangible assets	9	682	1,001
Tangible assets	10	9,409	8,718
		10,091	9,719
Current Assets			
Stock		129	62
Debtors	11	4,255	3,699
Cash at bank and in hand		23,363	24,401
		27,747	28,162
Current Liabilities			
Creditors: amounts falling due within one year	12	(9,889)	(8,378)
Net Current Assets		17,858	19,784
Long Term Liabilities			
Creditors: amounts falling due after one year	13	(3,094)	(4,579)
Provision for Liabilities			
Other provisions	20	(569)	-
TOTAL NET ASSETS		24,286	24,924
CAPITAL AND RESERVES			
Called up share capital	14	22,500	22,500
Unrestricted reserves			
Income and expenditure reserve		1,786	2,424
TOTAL SHAREHOLDERS' FUNDS		24,286	24,924

The financial statements on pages 1 to 46 were approved by the Board on 23 November 2022 and signed on its behalf by

Nicholas Whitaker
Director

Professor Geoff Smith
Director

Company number 12734671

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

Regent’s University London Limited
STATEMENT OF CASH FLOWS
for the period ended 30 June 2022

	Notes	**Year ended 30 June 2022 £000**	***Period ended 30 June 2021 £000***
Cash flow from operating activities			
(Loss)/profit for the year		(638)	2,424
Adjustment for non-cash items			
Depreciation	10	2,030	1,467
Amortisation of intangibles	9	469	144
Loss on investments	7	-	2
Investment in shares written off		-	5
Increase in stock		(67)	(20)
(Increase)/decrease in debtors	11	(556)	4,018
Increase/(decrease) in creditors due within one year	12	2,457	(13,570)
Decrease in provisions	12/20	(380)	(2,584)
Deferred consideration revaluation	5	(1,405)	-
Adjustment for investing or financing activities			
Investment income	3	(25)	(4)
Interest charged on finance leases	5	8	8
Investment fund management charges		-	2
Net cash from operating activities		**1,893**	**(8,108)**
Cash flow from investing activities			
Proceeds from sales of investments		-	317
Investments liquidated		-	336
Payments to acquire tangible fixed assets	10	(2,721)	(976)
Payments to acquire intangible fixed assets	9	(150)	(6)
Payments to acquire investments		-	(320)
Capital element of finance lease repayments	12/13	(77)	(55)
Interest received	3	25	1
Dividends received	3	-	3
Net cash inflow from acquisition		-	10,717
Net Cash (used in) / from investing activities		**(2,923)**	**10,017**
Cash flow from financing activities			
Interest paid on finance leases	5	(8)	(8)
Proceeds from issuance of share capital		-	22,500
Net Cash (used in) / from financing activities		**(8)**	**22,492**
(Decrease)/increase in cash and cash equivalents in the year		**(1,038)**	**24,401**
Cash and cash equivalents at beginning of the year		24,401	-
Cash and cash equivalents at end of the year		**23,363**	**24,401**
Cash and cash equivalents comprise:			
Cash at bank and in hand		23,363	24,401
		23,363	**24,401**

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

Basis of preparation

Regent's University London Limited is a company limited by share capital incorporated in the United Kingdom and registered in England & Wales under the Companies Act 2006.

These financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard FRS 102. They have been prepared in accordance with the Companies Act 2006 and with the OfS' Accounts Direction 2019.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the University's accounting policies.

The financial statements have continued to be prepared on going concern basis. The Directors have considered the University's forecasts including cash flow projections for a period of 12 months from the date of the approval of these accounts.

Income recognition

Tuition fees, and other similar income, are recognised evenly over the period of the relevant course. Revenue represents the work done in the period in the performance and provision of the course. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Applicants pay deposits to secure their place on a programme. Deposits are generally non-refundable and deposits from applicants who are considered unlikely to enrol are taken to income.

Income from commercial trading activities is recognised at the point at which it is earned.

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

Grant income is recognised when the terms and conditions of the grant have been met.

Expenditure and irrecoverable VAT

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

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

Current and deferred taxation

The tax charge for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the expected tax payable on the taxable income for the period, calculated using tax rates enacted or substantively enacted by the balance sheet date.

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.

Intangible Fixed Assets and Amortisation

Intangible fixed assets represent:

Goodwill arising on an acquisition of a subsidiary undertaking as being the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the Directors' estimate of its useful economic life. The goodwill on acquisition of the University business is being amortised over a three-year period. This is in line with the length of the University's business cycle with most students enrolled on three-year undergraduate degrees. The University's performance is tracking ahead of the pre-acquisition financial forecasts, there is no indication of impairment of goodwill at the end of the period.

Computer software which comprises student records system and other software.

Amortisation is provided on the Intangible assets and Goodwill at rates calculated to write each asset down to its estimated residual value over its expected useful life on a straight-line basis, as follows:

Goodwill	-	33% per annum
Computer software	-	10% - 20% per annum

Tangible Fixed Assets and Depreciation

Tangible fixed assets costing more than £5,000 individually or in total as part of a project are capitalised and are stated at historic cost. Assets acquired as part of a business combination are recognised with their cost being the cost allocated to them at acquisition. They continue to be depreciated over their original remaining useful economic lives on a straight-line basis, based on their original historical costs

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

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

Stock

Stock is held at historical cost based on the cost of purchase on a first in, first out basis.

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.

Financial instruments

The University recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire.

Operating leases

Rental costs in respect of operating leases are charged to surplus or deficit on a straight-line basis over the lease term.

Finance leases

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

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

Holiday pay accrual

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

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors believe there are no key sources of estimation uncertainty and have made the following judgements:

- Creditors: Amounts falling due after one year (see note 13)

  A creditor has been included in relation to future payments to the Inner Circle Education Trust. Annual payments of £0.2m are anticipated to start from financial year ending 30 June 2025. There are several judgements surrounding the valuation of the deferred contingent consideration of £3.0m shown in Note 13. The primary judgement made by the Directors is that the conditions will exist for this creditor to become payable. These conditions include the future profitability of the University defined as a positive adjusted profit using the definition shown on page 7, which reconciles the loss to adjusted profit, as well as actions outside the control of the Directors relating to the legal structure and ownership of Inner Circle Educational Trust. The Directors have judged that under all currently available information, it is probably that the deferred consideration will be payable from 2025, as required by the transfer agreement. The other judgement with respect to this relates to the discount rate used to value the liability. The Directors have judged that a discount rate of 5.75% being based on comparator BB+ rates for UK corporate debt as at 30 June 2022 (2021: an equivalent debt-based discount rate of 3.9% was used resulting in a net present value calculated to be £4.4m) to best represent the appropriate rate for this liability. This has been considered an appropriate rate to use given the University's financial standing. As the discount rate is linked to macroeconomic conditions, if the current high levels of volatility continue, reappraisal at the end of next financial year could result in a material adjustment to this balance. However, this balance results from a non-trading commitment and the annual cash payments from 2025 are not a material sum. Therefore, the overall impact of a material movement in the value of this creditor on the University's financial outlook is not considered significant.

- Provisions: (see note 20)

  The University is in the process of a rent review with the Crown Estate. The review process is complex as the campus is a unique property located in a Royal Park in central London providing few, if any, comparable market rental figures. The rent review point is March 2020 which adds further complexity as the market was significantly impacted by Covid-19. The University appointed Montagu Evans to lead the negotiation with the Crown Estate. The provision of £0.6m in Note 20 has been calculated with reference to the range of potential outcomes and the University's professional advisors estimate of the likelihood of these outcomes. The University's professional advisors have based their estimate on key assumptions including the floor area of the campus, market rental figures and other industry standard metrics. The University does not have any key sources of estimation uncertainty regarding this balance. The rent review process is not expected to be concluded until spring 2023.

1(a). Tuition Fee Income

	Year ended 30 June 2022 £000	*Period ended 30 June 2021 £000*
Tuition and registration fees	33,650	31,031
	33,650	31,031

1(b). Sources of Tuition Fee Income

	Year ended 30 June 2022 £000	*Period ended 30 June 2021 £000*
Fee income for taught awards	32,026	29,875
Fee income for research awards	172	195
Fee income from non-qualifying courses	1,452	961
	33,650	31,031

The turnover of the University during the period was all derived in the same geographical area.

2. Other Income

	Year ended 30 June 2022 £000	*Period ended 30 June 2021 £000*
Residences & Catering	1,991	183
Rental and Room Hire	4	46
Central services	-	63
Car Park	52	12
Conferencing	2,480	65
Furlough grant	-	106
Donations	18	-
Accreditation income	79	-
Other	99	109
	4,723	584

3. *Investment Income*

	Year ended 30 June 2022 £000	*Period ended 30 June 2021 £000*
Bank interest receivable	25	1
Dividend income	-	3
	25	4

4. *Staff Costs*

	Year ended 30 June 2022 No.	*Period ended 30 June 2021* No.
The monthly average number of persons (excluding independent Directors) employed during the period was:		
Management and administration	169	189
Academic – Full time and Fractional	127	133
Academic – Visiting Lecturers	32	17
Total average full time equivalent	328	339

	Year ended 30 June 2022 £000	*Period ended 30 June 2021 £000*
Staff costs for the above persons:		
Wages and salaries	14,443	12,863
Social security costs	1,485	1,254
Pension costs	1,091	887
Other benefits	155	206
Apprenticeship levy	56	41
	17,230	15,251

The above includes £37,929 (2021: £718,218) costs for redundancy.

4. *Staff Costs (continued)*

	Year ended 30 June 2022 £000	*Period ended 30 June 2021 £000*
Key Management Personnel remuneration:		
Directors' remuneration	266	163
VCET remuneration *	936	379
	1,202	542

* VCET (Vice-Chancellor's Executive Team) excludes the Vice-Chancellor & CEO who is also a Director

There were eight (2021: Six) Key Management Personnel remunerated in the year.

There were two independent non-executive Directors with combined remuneration of £50,000 (2021: £32,500).

The total amount payable for the year ended 30 June 2022 to the highest paid Director in his capacity as Vice-Chancellor & CEO was £266,000 (2021: for 9-month period £163,000). This included salary of £185,000 (2021: £150,000), bonus of £65,000 (2021: £nil) and payments in lieu of pension contributions of £16,000 (2021: £13,000). The Vice-Chancellor & CEO's basic salary is 5.0 (2021: 5.4) times the median pay of all staff and the total remuneration is 7.1 (2021: 5.7) times the median total remuneration of all staff calculated on a full-time equivalent basis.

Severance payments amounting to £107,500 (2021: £152,705) were made to one (2021: two) Key Management Personnel in the year ended 30 June 2022. Payments included pay in lieu of notice, ex-gratia and severance pay elements.

	Year ended 30 June 2022 No.	*Period ended 30 June 2021 No.*
The number of employees with annual remuneration excluding pension costs of £100,000 or more during the period for Regent's University London were:		
£110,000 – £114,999	1	-
£120,000 – £124,999	1	-
£130,000 – £134,999	1	1
£150,000 – £154,999	1	1
£185,000 – £189,999	1	-
£200,000 – £204,999	-	1
	5	3

Pension costs relating to 5 (2021: 3) employees earning more than £100,000 during the year were £47,596 (2021: £18,061) in the year ended 30 June 2022. No Directors received payments into the University's defined contribution pension scheme in the year ended 30 June 2022.

The remuneration of the Vice-Chancellor & Chief Executive Officer is agreed by Galileo Global Education in consultation with the Chair of the Board of Directors. Individual performance, the University's financial position and budgetary constraints into consideration when determining the remuneration of the Vice-Chancellor & CEO.

5. *Interest and other finance costs*

	Year ended 30 June 2022 £000	*Period ended 30 June 2021 £000*
Finance lease charges	8	8
Deferred consideration revaluation (*)	(1,405)	-
	(1,397)	8

* - This relates to the revaluation to fair value of the future consideration for acquisition to be paid to the Inner Circle Educational Trust when the University generates positive adjusted profit from 2025.

6. *Analysis of other operating expenses*

	Year ended 30 June 2022 £000	*Period ended 30 June 2021 £000*
Academic departments	434	308
Academic support	953	723
Student services	2,349	1,165
Governance	81	105
Central services	3,922	2,889
Estates	9,853	7,084
ITS and MIS	1,439	1,098
Bad debts	396	181
Conferencing	1,455	76
Amortisation	469	144
Bursaries and scholarships	489	568
Onerous Lease and Dilapidation provision	-	(2,484)
Donation to charity	-	400
	21,840	12,257

6. *Analysis of other operating expenses (continued)*

	Year ended 30 June 2022 £000	*Period ended 30 June 2021 £000*
Other operating expenses include:		
Operating lease rental – land and buildings	4,494	3,598
Auditor's remuneration (including VAT)		
- Auditing of the financial statements – Current year	82	100
– Additional prior year	20	-
- Audit-related assurance services – US loans	5	5
- Irrecoverable VAT on auditor's remuneration	21	21
Depreciation on assets held under finance lease	79	58
Exchange loss	11	7

7. *Loss on investments*

	Year ended 30 June 2022 £000	*Period ended 30 June 2021 £000*
Realised loss on investments	-	(33)
Increase in market value of investments	-	31
	-	(2)

8. *Tax on (deficit)/surplus*

	Year ended 30 June 2022 £000	*Period ended 30 June 2021 £000*
Current taxation:		
UK corporation tax on (losses)/profits for the year	(331)	331
Deferred taxation:		
Origination and reversal of timing differences	(336)	(121)
	(667)	210

8. *Tax on (deficit)/surplus (continued)*

	Year ended 30 June 2022 £000	*Period ended 30 June 2021 £000*
Provision for deferred tax:		
Fixed asset timing differences		
- Net fixed asset timing differences	171	(72)
Short term timing differences		
- Pension contributions	-	(22)
Losses and other deductions		
- Unused losses	(507)	(27)
	(336)	(121)

All the above deferred tax assets are expected to reverse in the next year.

Factors affecting tax charge for the period:

The tax assessed for the period is lower. The differences are explained below:

	Year ended 30 June 2022 £000	*Period ended 30 June 2021 £000*
(Loss)/profit before tax	(1,305)	2,634
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19%	(248)	500
Effects of:		
Fixed asset differences	176	153
Expenses not deductible for tax purposes	(84)	54
Adjustments to tax charge in respect of previous periods	(198)	-
Adjustments to tax charge in respect of previous periods – deferred tax	51	-
Remeasurement of deferred tax for changes in tax rates	(97)	-
Income not taxable for tax purposes	(267)	(472)
Other tax adjustments, reliefs and transfers	-	(25)
Tax on (loss)/profit	(667)	210

Following Budget 2021 announcements, the main rate of corporation tax is set to be 25% from 1 April 2023. The impact of this change on the same (loss)/profit for the period ended 30 June 2022 would be additional corporation tax gain of £78,000 (2021: tax charge £158,000).

9. *Intangible Assets and Goodwill*

	Computer software	Goodwill	Total
	£000	£000	£000
Cost			
01 July 2021	215	930	1,145
Additions	150	-	150
30 June 2022	365	930	1,295
Accumulated Amortisation			
01 July 2021	28	116	144
Charged in the period	43	426	469
30 June 2022	71	542	613
Net book value			
30 June 2022	294	388	682
30 June 2021	187	814	1,001

10. *Tangible Assets*

	Short leasehold improvements	Computer equipment	Plant and machinery	Fixtures and fittings	Total
	£000	£000	£000	£000	£000
Cost					
1 July 2021	7,991	1,548	61	627	10,227
Additions	1,787	570	56	308	2,721
30 June 2022	9,778	2,118	117	935	12,948
Accumulated Depreciation					
1 July 2021	901	390	24	194	1,509
Charged in the year	1,266	548	20	196	2,030
30 June 2022	2,167	938	44	390	3,539
Net book value					
30 June 2022	7,611	1,180	73	545	9,409
30 June 2021	7,090	1,158	37	433	8,718

11. Debtors

	30 June 2022 £000	*30 June 2021 £000*
Trade debtors	1,372	977
Amount due from subsidiary undertaking	-	439
Other taxation	788	121
Other debtors	196	69
Prepayments and accrued income	1,899	2,093
	4,255	3,699

12. Creditors: Amounts falling due within one year

	30 June 2022 £000	*30 June 2021 £000*
Trade creditors	433	358
Other taxation and social security costs	703	754
Other creditors	942	1,938
Obligations under finance lease contracts	80	77
Other provisions	-	949
Accruals and deferred income	7,731	4,302
	9,889	8,378

13. Creditors: Amounts falling due after one year

	30 June 2022 £000	*30 June 2021 £000*
Due 12–24 months:		
Obligations under finance lease contracts	83	80
Due 24–60 months:		
Obligations under finance lease contracts	-	83
Deferred contingent consideration for acquisition	3,011	4,416
	3,094	4,579

The obligations under finance lease contracts relate to printers included under asset class- Fixtures and fittings with a net carrying value at 30 June 2022 of £159,151 (2021: £238,348).

14. Called up Share Capital

	30 June 2022 £000	*30 June 2021 £000*
Authorised, allotted, called up and fully paid:		
22,500,000 ordinary shares of £1 each	22,500	22,500

	30 June 2022 Number	*30 June 2021 Number*
Ordinary shares	22,500,000	22,500,000

15. Commitments and Contingent Liabilities

At 30 June 2022 the University had minimum lease payments under non-cancellable leases as set out below:

	30 June 2022 £000	*30 June 2021 £000*
Operating lease commitments relating to land and buildings:		
Not later than 1 year	3,829	3,829
Later than 1 year and not later than 5 years	15,317	15,317
Later than 5 years	92,542	96,371
Total	111,688	115,517

The above does not include the provision for Rent uplift and RPI increase as it is yet to be committed.

The Operating lease rental – land and buildings expense in the period was £4,494,000 (2021: £3,598,000).

Finance lease commitments relating to printers:		
Not later than 1 year	80	77
Later than 1 year and not later than 5 years	83	163
Total	163	240

The Finance lease charges in the period were £7,682.

Following on from the Supreme Court judgement in the case of Harpur Trust vs Brazel in July 2022 which confirmed that "part-year" workers are entitled to the same holiday entitlement as full-time workers, the University has been assessing the impact both financially and operationally. To date, no claims have been received and the University considers the risk of future claims to be minimal. The University will continue to monitor this situation, but as at the date of this report, considers disclosure of a contingent liability appropriate. The possibility to settle the obligation is more than remote but less than likely.

16. *Financial instruments*

	30 June 2022 £000	*30 June 2021 £000*
Financial assets at fair value through profit or loss:		
Fixed asset investments	-	-
Financial assets that are debt instruments measured at amortised cost:		
Trade debtors	1,372	977
Amounts due from subsidiary undertaking	-	439
Other debtors	196	69
Cash at bank and in hand	23,363	24,401
	24,931	25,886
Financial liabilities that are debt instruments measured at amortised cost:		
Trade creditors	433	358
Other creditors	942	1,938
Obligations under finance lease contracts	163	240
Accruals	3,265	1,533
Deferred contingent consideration for acquisition	3,011	4,416
	7,814	8,485

17. *Related party transactions*

During the year management fees amounting to £442,188 (2021: £221,167) and IT Recharges amounting to £60,096 (2021: £6,409) were charged by Galileo Global Corporate Services SAS and management fees amounting to £nil (2021: £239,713) was charged by GGE BCO I SASU. During the year, accreditation fees amounting to £136,600 were charged to Nuova Academia Sri, Tuition fees amounting to £37,520 were charged to Macromedia GmbH, LanguageCert exam vouchers and REPT certificates amounting to £4,655 were charged to Istituto Marangoni Limited and payments amounting £11,565 were made on behalf of New Cavendish Holding Limited. All these companies are part of the Galileo Global Education BCo I SAS group.
As at 30 June 2022, £136,600 was receivable from Nuova Academia Sri (2021: £nil), £11,565 (2021: £nil) was receivable from New Cavendish Holding Limited and £nil (2021: £20,778) was receivable from Galileo Global Corporate Services SAS.

18. *Pensions*

The University contributes a defined amount to specified personal policies taken out by eligible employees. Contributions are charged as incurred. No Directors received contributions to the University's pension scheme for the year ended 30 June 2022 (2021: £nil). There were outstanding contributions in relation to the University amounting to £121,722 (2021: £119,216) as at the balance sheet date. Pension costs during the period were £1,246,000 (2021: £1,093,000).

19. Reconciliation of net funds

	01 July 2021 £000	Cashflows £000	30 June 2022 *£000*
Cash at bank and in hand	24,401	(1,038)	23,363
Obligations under finance leases	(240)	77	(163)
Net funds/(debt)	24,161	(961)	23,200

20. Other provisions

	30 June 2022 £000	*30 June 2021 £000*
Provision for Rent Increase	569	-
	569	-

The University is in the process of a rent review with the Crown Estate. The provision for Rent increase has been calculated with reference to the range of potential outcomes and the University's professional advisors estimate of the likelihood of these outcomes. The rent review process is not expected to be concluded until spring 2023.

21. Ultimate parent undertaking and controlling party

The company's parent company is Galileo Global Education BCo I S.A.S and the ultimate controlling party is Galileo Global Education TCo I S.A.S. Galileo Global Education TCo I S.A.S. is owned by a consortium of long-term institutional investors, including Canada Pension Plan Investment Board ('CPP Investments'), through its wholly owned subsidiary, CPP Investment Board Europe S.à r.l., Montagu, Téthys Invest and Bpifrance.

The parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is Galileo Global Education TCo I S.A.S, a private company limited by shares, whose registered office is 41 Rue Saint-Sébastien, Paris 75011, France. Copies of these financial statements are available to the public from its registered office.

S1 Financial Responsibility Supplemental Schedule

The Financial responsibility supplementary schedule is prepared as part of the requirement of the University's participation in the United States Department of Education's William D Ford Direct Loan Program. The recognition and measurement bases are in accordance with UK GAAP FRS102.

			Year ended 30 June 2022		*Year ended 30 June 2021*	
Lines	**UK GAAP Ref.**	**Primary Reserve Ratio**	**£**	**£**	**£**	**£**
		Expendable Net Assets:				
Page 26	Balance Sheet – Total Net Assets	Net assets without donor restrictions		24,286,000		24,924,000
	None	Net assets with donor restrictions		-		-
Page 41	FS Note 17 - Related party transactions	Secured and Unsecured related party receivable	148,165		20,778	
Page 41	FS Note 17 - Related party transactions	Unsecured related party receivable		148,165		20,778
Page 26	Balance Sheet – Tangible Assets	Property, plant and equipment, net (includes Construction in progress)	9,409,000		8,718,000	
	None	Property, plant and equipment - pre-implementation		-		-
Page 38	FS Note 10 – tangible Assets	Property, plant and equipment - post-implementation with outstanding debt for original purchase		159,000		238,000
Page38	FS Note 10 – tangible Assets	Property, plant and equipment-post implementation without outstanding debt for original purchase		9,250,000		8,480,000
	None	Construction in process		-		-
	None	Lease right-of-use asset, net	-		-	
	None	Lease right-of-use asset pre-implementation		-		-

S1 Financial Responsibility Supplemental Schedule (continued)

			Year ended 30 June 2022		**Year ended 30 June 2021**	
Lines	**UK GAAP Ref.**	**Primary Reserve Ratio**	**£**	**£**	**£**	**£**
		Expendable Net Assets:				
	None	Lease-right-of use asset post-implementation		-		-
Page 26	Balance Sheet – Intangible Assets	Intangible assets		682,000		1,001,000
	None	Post-employment and pension liabilities		-		-
Page 39	FS Note13 – Creditors: Amounts falling due after one year	Long-term debt - for long term purposes	3,094,000		4,579,000	
	None	Long-term debt for long term purposes -pre-implementation		-		-
Page 39	FS Note13 –Creditors: Amounts falling due after one year.	Long-term debt for long term purposes - post-implementation		3,094,000		4,579,000
	None	Line of Credit for Construction in process		-		-
	None	Lease right-of-use asset liability	-		-	
	None	Pre-implementation right-of-use leases		-		-
	None	Post-implementation right-of-use leases		-		-
	None	Annuities with donor restrictions		-		-
	None	Term endowments with donor restrictions		-		-
	None	Life income fund with donor restrictions		-		-
	None	Net assets with donor restrictions: restricted in perpetuity		-		-

S1 Financial Responsibility Supplemental Schedule (continued)

			Year ended 30 June 2022		*Year ended 30 June 2021*	
Lines	**UK GAAP Ref.**	**Primary Reserve Ratio**	**£**	**£**	**£**	**£**
		Total Expenses and Losses:				
Page 24	Statement of Comprehensive Income and Expenditure	Total expenses without donor restrictions - taken directly from Statement of Activities		39,703,000		28,983,000
Page 24	Statement of Comprehensive Income and Expenditure – Loss on Investments	Non-Operating and Net investment (loss)		-		2,000
Page 36	FS Note 7 - Loss on investments	Net investment losses		-		2,000
	None	Pension-related charges other than net periodic costs		-		-

Lines	**UK GAAP Ref.**	**Equity Ratio**	**£**	**£**	**£**	**£**
		Modified Net Assets:				
Page 26	Balance Sheet – Total Net Assets	Net assets without donor restrictions		24,286,000		24,924,000
	None	Net assets with donor restrictions		-		-
Page 38	FS Note 9 - Intangible Assets	Intangible assets		682,000		1,001,000
Page 41	FS Note 17 - Related party transactions	Secured and Unsecured related party receivable	148,165		20,778	
Page 41	FS Note 17 - Related party transactions	Unsecured related party receivables		148,165		20,778

S1 Financial Responsibility Supplemental Schedule (continued)

			Year ended 30 June 2022		Year ended 30 June 2021	
Lines	**UK GAAP Ref.**	**Equity Ratio**	**£**	**£**	**£**	**£**
		Modified Assets:				
Page 26	Balance Sheet – Fixed Assets +Current Assets	Total assets		37,838,000		37,881,000
	None	Lease right-of-use asset pre-implementation		-		-
	None	Pre-implementation right-of-use leases		-		-
Page 38	FS Note 9 - Intangible Assets	Intangible assets		682,000		1,001,000
Page 41	FS Note 17 - Related party transactions	Secured and Unsecured related party receivable	148,165		20,778	
Page 41	FS Note 17 - Related party transactions	Unsecured related party receivables		148,165		20,778

		Net Income Ratio	**£**	**£**	**£**	**£**
Page 24	Statement of Comprehensive Income and Expenditure – Total comprehensive expenditure for the year	Change in Net Assets Without Donor Restrictions		(638,000)		2,424,000
Page 24	Statement of Comprehensive Income and Expenditure – Total Income	Total Revenues and Gains		38,398,000		31,619,000