

Regent's University London Limited

REPORT AND FINANCIAL STATEMENTS

Period ended 30 June 2021

Company Registration No. 12734671

Contents

Legal and Administrative Information	1
Strategic Report	3
Directors' Report	9
Statement of Corporate Governance and Internal Control	14
Independent Auditor's Report	19
Statement of Comprehensive Income and Expenditure	23
Statement of Changes in Equity	24
Balance Sheet	25
Statement of Cash Flows	26
Principal Accounting Policies	27
Notes to the Financial Statements	31
Supplemental Schedule to the Financial Statements	45

Regent's University London Limited

LEGAL AND ADMINISTRATIVE INFORMATION

Directors

Nicholas Whitaker –Chair* ^{2, 3} - Appointed 29 September 2020
Professor Geoff Smith– Vice-Chancellor & CEO^{2,3} - Appointed 29 September 2020
Alison Allden OBE ^{1,2,3} - Appointed 1 January 2021
Bruno Mourgue d'Algue ^{1,2,3} - Appointed 29 July 2020
Professor Markus Alexander Castulus Kolo ^{1,2,3} - Appointed 29 July 2020
Sébastien Ferrand ^{2,3} - Appointed 29 July 2020
Yannick Laniel - Appointed 10 July 2020 and resigned 29 July 2020

¹ Member of the Audit and Risk Committee at 30 June 2021

² Member of the Remuneration Committee at 30 June 2021

³ Member of the Nominations Committee at 30 June 2021

*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

Catherine Manning

Registered Office and Principal Address

Inner Circle
Regent's Park
London
NW1 4NS

External Auditors

Deloitte LLP
Abbots House
Abbey Street
Reading
RG1 3BD

Internal Auditors

Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Solicitors

Withers
20 old Bailey
London
EC4M 7AN

Bankers

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

Regent's University London Limited

LEGAL AND ADMINISTRATIVE INFORMATION

Insurance Brokers

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

Regent's University London Limited

STRATEGIC REPORT

University Background

The company was incorporated on 10 July 2020 and is a company limited by share capital. The University business was transferred from the Inner Circle Educational Trust (ICET) on 29 September 2020. The transfer of the business followed a period of significant losses in 2019/20 due to the impact of Covid-19 on student recruitment. The Trustees of ICET filed a Serious Incident Return with the Charities Commission on 2 July 2020 in relation to the University's financial position.

After considering options, the Trustees of ICET took the unanimous decision to proceed with the transfer of the business to Regent's University London Limited. The transfer enabled students to continue their studies uninterrupted and provided greater financial resilience through a £22.5m cash investment by Galileo Global Education. Key external stakeholders such as the Office for Students (OfS), the Department for Education (DfE), UK Visa and Immigration (UKVI), UK and US student loans providers were consulted and provided with regular updates on the transfer.

From 30 September 2020, the company operated a university which was a registered English Higher Provider with the OfS (UKPRN 10086591). This report summarises the University's activities in the period ended 30 June 2020. This report is prepared 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.

Regent's University London Limited

STRATEGIC REPORT

Performance Review

The period ended 30 June 2021 was severely impacted in both financial and operational terms by Covid-19. The Government enforced lockdowns in March 2020, November 2020 and January 2021 resulted in the University moving the provision of teaching on-line and almost all academic and professional staff transitioned to remote working. The University has a large proportion of international students and recruitment was negatively impacted in September 2020 (pre-transfer from ICET) and to a lesser degree Spring 2021.

The University has a five-year financial plan which is aligned to the Strategic Plan and charts the recovery as the impact of Covid-19 subsides. Tuition fees were in line with forecast for the period ended 30 June 2021 and current expectations are that tuition income will meet budget for 2021/22. Revenues were depressed in non-teaching areas including accommodation and catering in 2020/21. The lucrative summer season for the conferencing and events business was significantly impacted in 2020 with summer groups for both the English Language Centre and study abroad at very low levels due to Government imposed travel restrictions.

The University initiated a significant restructuring exercise in the period to rebalance expenditure with Covid-19 impacted revenue levels. This was completed in early 2021 and anticipated savings will be realised in 2021/22. Non-recurring restructuring costs of £1.6m were realised in the period ended 30 June 2021 because of the restructuring activity.

The University's results for the 9-month period to 30 June show an EBITDA of £4.1m. The positive EBITDA is due to the 9-month period incorporating the academic year 2020/21, and related revenue from teaching, but only 9 months of costs. The 2020/21 EBITDA was better than forecast driven by a stronger academic margin and lower than forecast Marketing, Recruitment and Admissions costs.

The results to 30 June 2021 include several significant non-trading transactions. A donation of £0.4m was made to the Inner Circle Educational Trust to fund Covid-19 related costs (outside of tuition fees) for new students due to start at the University in 2021/22. The University disposed of leases on two properties - Paddington Street and Garbutt Place buildings on the 16 August 2021. Heads of Terms were agreed on 8 March 2021 between the Howard de Walden estate as landlord and the incoming tenant. The assignment of the lease to a third party resulted in adjustments being made to the provisions held in the financial statements at the balance sheet date as the conditions for completion existed at that date. This provided the Directors with further information allowing an updated and more reliable estimate of the related provisions to be made. The net effect of this on the profit and loss account is a release of £2.5m reflecting the final amounts required to be paid to complete the transaction subsequent to the balance sheet date, when compared with the provision as originally recognised on acquisition. Management also considered whether any fair value adjustments to the provision were required on acquisition, and concluded that at that time there was no further information available that would have caused the onerous lease and dilapidations provisions to require revaluation. The net effect of this transaction on the profit and loss account is £2.5m which includes a reverse premium paid to the incoming tenant (£1.0m), release of a dilapidation provision (£0.8m) and release of an onerous lease provision (£2.7m). The cost related to the dilapidation and onerous lease were recognised by ICET in 2019/20 and were transferred as a liability on 29 September.

The principal risks and uncertainties facing the company are described on pages 17 and 18 in the Statement of Corporate Governance and Internal Control.

Financial Activities and Results

Financial Highlights

RESULTS, CASHFLOWS AND RESERVES

*Period ended
30 June 2021
£'000s*

Total Income	31,619
Total Expenditure	28,983
Profit Before Other Losses	2,636
Profit Before Taxation	2,634
EBITDA	4,112
EBITDA (%)	13.0%
Net Cash Outflow from Operating Activities (After Taxation)	(8,108)
Fixed Assets	9,719
Net Current Assets	19,784
Total Shareholders' Funds	24,924

The Financial Statements

The Financial Statements presented by the Directors comprise the results of the University. The University owns 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.

Results for the Period

The University's total income for the 9-month period was £31.6m compared with a forecast of £30.4m. New students were substantially lower than pre-Covid levels but returning student numbers were more resilient, with lower than anticipated attrition rates.

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. This compares with income from Residences & Catering of £3.4m in 2018/19. This revenue stream will recover as the campus reopens in September 2021. Likewise, Conferencing income in the period was £0.1m and profits fell substantially with the total loss of both the lucrative summer season as well as regular clients using the campus outside of scheduled teaching time. The University is focussed on re-growing this revenue stream over the coming year. Early signs are positive. The University made best use of the Coronavirus Job Retention Scheme which resulted in grant income of £0.1m in the period to 30 June 2021.

Pay costs of £15.3m were materially in line with forecast in 2020/21. The full-time equivalent number of staff at 30 June 2021 was 339. This figure includes Visiting Lecturers.

Non-pay costs include a significant non-trading items linked to the disposal of property in Marylebone (£2.5m). Non-pay savings against forecast were realised in Estates in areas such as security and utilities due to lower than anticipated campus footfall in 2020/21. Marketing costs were also lower than forecast. Adverse non-pay variances to forecast included staff recruitment costs and the cost of voids from a nomination's agreement with a third-party provider of student accommodation. This contract terminates at the end of the 2021/22 academic year.

Regent's University London Limited

STRATEGIC REPORT

As at 30 June 2021, the total reserves amounted to £24.9m, with share capital representing £22.5m.

Bursaries and scholarships of £0.6m were awarded to students based on academic merit and financial need. The University financially supported students impacted negatively by Covid-19 through additional bursaries as part of the 'Regent's Promise' initiative.

Cash Flow

The cash flow statement shows there was a £24.4m increase in cash over the period. The University's net cash outflow from operating activities was £8.1m. Cash outflows linked to capital investment in the period (£1.0m) were lower than forecast. This was primarily due to supply chain issues causing a delay in the delivery of IT hardware and spend on refurbishing the Reid Hall of residence straddling two financial years. As the University recovers post-pandemic, capital investment will increase as the University continues to invest in student experience and workplace changes linked to hybrid working practices.

Key Performance Indicators

The financial performance of the University was monitored on a monthly basis by the Finance Director 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 refreshed in 2021 as part of the new Strategic Plan 2019-24. The following financial and non-financial measures were introduced to track performance against University strategic priorities:

Ref	Strategic Plan Area	KPI	Actual 2019/20	Actual 2020/21	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25
KPI 1	Student Satisfaction	Overall satisfaction (NSS)	81.3%	78%	80.6%	82.2%	83.8%	85.5%
KPI 2	Student Continuation	Undergraduate continuation rate (HESA)	82.6%	80.5%*	84%	86%	88%	90%
KPI 3	Graduate Level Employment	Graduate outcomes survey (HESA)	80%	79%	80%	81%	82%	83%
KPI 4	Staff Engagement	Staff survey engagement index	67%	-	75%	80%	85%	85%
KPI 5	New Enrolments	Degree seeking students (autumn & spring intakes)	977	599	715	845	957	1,031
KPI 6	Financial Performance	EBITDA	-10.9%	13.0%*	-7.3%	2.0%	9.8%	15.9%

* based on autumn term 2020 intake. Spring 2021 retention data will not be available until spring 2022 enrolment is complete.

**on a 9-month basis for the period ended 30 June 2021. A reconciliation from surplus as reported in the Income and Expenditure to EBITDA is can be seen in the table on page 7.

The University is tracking all student related KPIs in 2020/21 (KPI1, KPI2 and KPI3). A dip was expected in KPI1 (NSS). 2020/21 was a year where universities across the UK saw significant drops in student satisfaction linked to Covid-19. The annual survey shows an overall student satisfaction rate of 78% at Regent's, which is more than 5% higher than the benchmark set by the Office for Students (OfS).

KPI2 - Full retention data for 2020/21 will not be available until enrolment has been completed for the spring 2022 term in March 2022. A provisional figure has been included showing the retention rate for new students in autumn 2020 progressing to autumn 2021 term. This provisional figure shows a dip from 82.6% to 80.5%. This was expected as these students studied online rather than face-to-face due to Covid-19 restrictions.

Regent's University London Limited

STRATEGIC REPORT

KPI3 is expected to build from 79%. This KPI is a lag indicator and measures the number of undergraduate students in work or further study 15 months after graduation. The University has also performed well in terms of student entrepreneurial activity. A study by Resume.io 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 - due to the significant restructuring exercise in the period, the University will undertake a staff survey which will determine staff engagement in 2021/22.

KPI5 – the University has exceeded the autumn 2021 target for new student enrolments with an intake of 563 against a budget target of 540. Some risk remains in terms of spring 2022 intake, but the University is confident of meeting the target of 175 with Covid-19 travel restrictions subsiding. This will impact positively on KPI6 and the reforecast for 2021/22 is stronger than the budgeted EBITDA loss of 7.3%.

EBITDA calculation from profit

	Period ended 30 June 2021 £'000s
Profit for the period	2,424
Add back:	
Management fees	461
Donation to ICET charity	400
People Project restructuring costs	1,571
Marylebone properties rent	651
Corporation tax payable	210
Depreciation and amortisation	1,611
Less:	
Onerous Lease and dilapidation provision	(2,484)
Historic student credit balances write-off to income	(732)
EBITDA for the period	<u>4,112</u>

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 2021 the University's reserves were £24.9m. Cash balances were £24.4m.

The principal risks and uncertainties faced by the University are considered in the Statement of Corporate Governance and Internal Control on pages 17 and 18.

Outlook and Going Concern

The outlook for UK higher education remains challenging but as the UK enters a new phase in the management of Covid-19, with fewer restrictions on international travel, and the ability to deliver face-to-face teaching, the University is confident in the delivery of its five-year financial plan. Through growing both student numbers and revenue and tight cost control, the business expects to return to profitability and is considered to be a going concern.

The University will continue to grow student numbers through delivery of the Strategic Plan. The Portfolio Project is part of the Strategic Plan and will guide the development of new courses. The course portfolio

Regent's University London Limited

STRATEGIC REPORT

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 as well as a business model for an online, flexible portfolio aligned to Regent's University London Limited's brand. The Curriculum Model Project also forms part of the Strategic Plan and will build a future-facing educational model that delivers a consistently 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.

The University has exceeded its budgeted student recruitment targets for autumn 2021 and is forecasting a stronger than budgeted performance in 2021/22. The five-year financial forecast will be refreshed in November 2021 and submitted to the OfS as part of the Annual Financial Return. The current five-year forecast anticipates the University returning to a positive EBITDA position in 2022/23 and a net income and expenditure surplus in 2023/24.

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 through surplus generation. At the low point, cash balances are anticipated to be more than £10m - 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.

This report was approved by the Board of Directors on 27 January 2022.



Nicholas Whitaker
Director



Professor Geoff Smith
Director

Regent's University London Limited

DIRECTORS' REPORT

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 therefore report the results of the University for the period 10 July 2020 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 ten 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 period to 30 June 2021, 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.

The University 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 period ended 30 June 2021, three committees carried out certain tasks within specific terms of reference as follows:

- Audit & Risk Committee
- Remuneration Committee
- Nominations Committee

At 30 June 2021, 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.

Regent's University London Limited

DIRECTORS' REPORT

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 three 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 Strategic Projects Office was established in the period, led by a Director of Strategic Projects. This team ensured 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 and students in the composition of project boards as well as more operational aspects such as project meetings and workshops 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 period to 30 June 2021 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 period ended 30 June 2021.

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 which offers a premium university experience. 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. Personalised education will be at the centre of the Regent's University London Limited's value proposition.

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.

Regent's University London Limited

DIRECTORS' REPORT

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 equal opportunities 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 staff who 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 to ensure 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 share 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 developments with the University 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 impact on the University's performance.
- The publication of a weekly e-bulletin, one for all staff and one for all students, again providing information about developments and background to the University's activities. A summary of the University's financial position is provided monthly through the e-bulletin.
- The University's intranet.

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 an improvement in all areas across the period to 30 June 2021 and the equivalent period in 2020. The period from incorporation on 10 July 2020 to the transfer of the university business on 29 September 2020 is not considered relevant for environmental measures as the company was not trading in this period. Maintaining this trend will be difficult in 2021/22 as the University has now re-commenced face-to face teaching and campus footfall has increased significantly.

Aspect	2019/20	2019/20 normalised	2020/21	2020/21 normalised	Progress	Target reduction
Electricity (kWh)	1,437,686	54 kWh/m ²	1,155,737	44 kWh/m ²	-20%	-4%
Gas (kWh)	2,442,048	92 kWh/m ²	2,326,486	88 kWh/m ²	-5%	-4%
Scope 1 Emissions from combustion of gas	449 tCO ²	N/a	428 tCO ²	N/a	-5%	-4%
Scope 2 Emissions from purchased	335 tCO ²	N/a	269 tCO ²	N/a	-20%	-4%

Regent's University London Limited

DIRECTORS' REPORT

electricity						
Intensity ratio: tCO ² /m ² from scope 1,2 & 3 market based	0.022	N/a	0.021	N/a	-5%	-4%
Water (m ³)	7,855	2.96m ³ /FTE	3,407	1.63 ³ /FTE	+6%	-4%
Waste (kg)	124,634	46.97 kg/FTE	26,932	12.89 kg/FTE	-65%	-4%
Waste (recycling rate %)	64%	N/a	43%	N/a	-33%	70% target

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 is in the process of developing a new Environmental Strategy in partnership with Green Element who have advised on several projects to improve environmental control systems. This will contain several key metrics to ensure that the University continues to reduce its carbon footprint and improve its environmental performance.

The University has purchased 100% renewable electricity for all campus supplies. The data from these systems has been used to underpin business cases for capital investment which further enhances the University's environmental performance. During the period to 30 June 2021, the following environmental projects have taken place:

- Expanding and improving the Building Energy Management system (BEMS), optimising control over the estate's energy consumption and improving reporting;
- Lighting replacements to LEDs in several parts of the campus;
- Reduced temperature in heat pumps; and
- Installation of variable speed controls in air conditioning system pumps.

Regent's University London Limited

DIRECTORS' REPORT

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). 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 state of 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 27 January 2022.



Nicholas Whitaker
Director



Professor Geoff Smith
Director

Regent's University London Limited

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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. A code of conduct and a policy on managing conflicts of interest clearly set out the responsibilities and duties of individual Directors. 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 are able to 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 the Office for Students' (OfS) best practice and its expectations across each of the Public Interest Governance Principles.

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 reviewed annually. The committees in place at 30 June 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.

During the period, the Nominations Committee reviewed the membership of the Board and its Committees. Alison Alden OBE was appointed to the Board in the period ended 30 June 2021.

The Committee 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 was to ensure that there was a formal and transparent procedure for developing a remuneration policy, which ensures that individuals are sufficiently compensated and are appropriately incentivised to encourage enhanced performance. 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.

Regent's University London Limited

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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. He was not present during discussions of his own remuneration.

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 once in the period ended 30 June 2021 to appoint both the internal auditors and external auditors. The auditors have unfettered access to the Committee. In the period up to approval of the annual accounts on 27 January 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 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.

Regent's University London Limited

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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.

Prior to the transfer of the university business, the Board delegated the day-to-day responsibility to the Vice-Chancellor & Chief Executive Officer for maintaining a sound system of internal control that supported the achievement of the University's policies, aims and objectives whilst safeguarding funds and assets. The Vice-Chancellor & Chief Executive Officer was 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 2021 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 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 2021 and up to the date of approval of the annual report and accounts. The University's risk management framework will be 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.

Regent's University London Limited

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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 report includes the internal auditors' independent opinion on the adequacy and effectiveness of the University's core financial systems, risk management and data quality. The University has also 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 principal risks faced by the University are:

1) Failure to deliver a market-aligned portfolio that attracts students and meets their expectations.

This risk will be 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 programme development process. Portfolio development will be data-led and inspired by market needs. This approach will deliver growth and amplify the Regent's brand and value proposition for future students.

2) Failure to deliver a high-quality academic experience, leading to poor retention and consequential damage to our finances and reputation.

Re-development of the Regent's curriculum model is key strand within the new Strategic Plan. The Regent's model will be a distinctive curriculum model that embodies a future-facing, entrepreneurial, cosmopolitan and personalised learning experience, and that delivers our Graduate Attributes.

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 will be a shared endeavour, shaped by our academic and professional services community.

3) Failure to recruit and retain students to meet medium to long-term targets.

The University has invested significant resources into the development of its student recruitment processes and systems. Market research and data-led marketing has enabled better management of the University's recruitment channels. Student recruitment is monitored closely through weekly VCET meetings and the Board. Recruitment for autumn 2021 has exceeded budget assumptions, and the University's five-year financial forecast submitted to the OfS in February 2021.

The University continues to focus on retention rates across all programmes and uses data to identify 'at risk' students and pro-actively engages to ensure student succeed. Retention remains a KPI tracked by VCET and the Board.

4) Public health/pandemic risk

The University continues to manage the business continuity, financial sustainability, health & safety and academic risks as the UK navigates the Covid-19 pandemic. The VCET manage these risks on a day-to-day basis, with oversight by the Audit & Risk Committee and Board. The University continues to follow Government and Public

Regent's University London Limited

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Health England advice and best practice to mitigate risks. Face-to-face teaching activity was suspended for the majority of students in the period to 30 June 2021, but through moving teaching online, the University was able to ensure that students met their learning aims. The University restarted face-to-face teaching in September 2021.

5) Other business risks

The University's main financial instruments are cash and items such as trade debtors and other creditors which arise directly from its operations. The main purpose of these financial instruments is to manage the finance for the University's operations. The existence of these financial instruments exposes the University to several financial risks, which are described in more detail below.

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 very low level of exchange rate risk and therefore no risk management actions such as hedging are undertaken.

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 increased during the period to 30 June 2021 but with the return of face-to-face teaching bad debts in 2021/22 are anticipated to trend back to long-term average rates.

Price risk – 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 students from the EU. 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.

Brexit risk – Brexit is anticipated to provide more opportunity than risk to the University as noted in respect of price risk. 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.

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
27 January 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 Regent's University London Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the period 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:

- Statement of comprehensive income and expenditure;
- the balance sheet;
- Statement of Changes in Equity;
- Statement of cash flows;
- Principal accounting policies
- the related notes 1 to 24.
- 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 company 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 company'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 annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual 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.

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

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

We obtained an understanding of the legal and regulatory framework that the company 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, and the requirements of Title 34 CFR (code of financial regulations) 668.172; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's 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 area, and our specific procedures performed to address it are described below:

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

- 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.

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 in-house 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 HMRC.

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 period 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 company 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.

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:

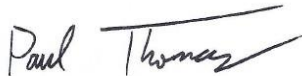
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law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

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

Use of our report

This report is made solely to the company'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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Thomas, DPhil, MChem, ACA
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
Date: 31st January 2022

Regent's University London Limited
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
for the period ended 30 June 2021

	<i>Notes</i>	Period ended 30 June 2021 £000
Income		
Tuition fees	1	31,031
Other income	2	584
Investment income	3	4
Total Income		<u>31,619</u>
Expenditure		
Staff costs	4	15,251
Other operating expenses	6	12,257
Depreciation	10	1,467
Interest and other finance costs	5	8
Total Expenditure		<u>28,983</u>
Surplus before other losses		2,636
Loss on investments	7	(2)
Surplus before tax		<u>2,634</u>
Taxation	8	(210)
Profit for the period		<u>2,424</u>
Represented by:		
Unrestricted comprehensive income for the period		<u>2,424</u>

All items of income and expenditure relate to continuing activities.

The accompanying accounting policies and notes 1 to 24 form an integral part of these financial statements.

Regent's University London Limited

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2021

	Share Capital	Income and expenditure account	Total
	£000	Unrestricted £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	<u>22,500</u>	<u>2,424</u>	<u>24,924</u>

The accompanying accounting policies and notes 1 to 24 form an integral part of these financial statements.

Regent's University London Limited

BALANCE SHEET

As at 30 June 2021

	Notes	30 June 2021 £000
Fixed Assets		
Intangible assets and goodwill	9	1,001
Tangible assets	10	8,718
Investments	11	-
		<hr/>
		9,719
		<hr/>
Current Assets		
Stock		62
Debtors	12	3,699
Cash at bank and in hand		24,401
		<hr/>
		28,162
Current Liabilities		
Creditors: amounts falling due within one year	13	(8,378)
		<hr/>
Net Current Assets		
		19,784
		<hr/>
Long Term Liabilities		
Creditors: amounts falling due after one year	14	(4,579)
		<hr/>
TOTAL NET ASSETS		
		24,924
		<hr/>
CAPITAL AND RESERVES		
Called up share capital	15	22,500
Unrestricted reserves		
Income and expenditure reserve		2,424
		<hr/>
TOTAL SHAREHOLDERS' FUNDS		
		24,924
		<hr/> <hr/>

The financial statements on pages 1 to 47 were approved by the Board on 27 January 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 24 form an integral part of these financial statements.

Regent's University London Limited

STATEMENT OF CASH FLOWS

for the period ended 30 June 2021

	Notes	Period ended 30 June 2021 £000
Cash flow from operating activities		
Profit for the period		2,424
Adjustment for non-cash items		
Depreciation	10	1,467
Amortisation of intangibles	9	144
Loss on investments	7	2
Investment in shares written off	11	5
Increase in stock		(20)
Decrease in debtors	12	4,018
Decrease in creditors due within one year	13	(13,570)
Decrease in provisions	21	(2,584)
Adjustment for investing or financing activities		
Investment income	3	(4)
Interest charged on finance leases	5	8
Investment fund management charges	11	2
Net cash outflow from operating activities		(8,108)
Cash flow from investing activities		
Proceeds from sales of investments	11	317
Investments liquidated	11	336
Payments to acquire tangible fixed assets	10	(976)
Payments to acquire intangible fixed assets	9	(6)
Payments to acquire investments	11	(320)
Interest received	3	1
Dividends received	3	3
Net cash inflow from acquisition		10,717
Net Cash inflow from investing activities		10,072
Cash flow from financing activities		
Interest paid on finance leases	5	(8)
Capital element of finance lease repayments	13/14	(55)
Proceeds from issuance of share capital		22,500
Net Cash Inflow from financing activities		22,437
Increase in cash and cash equivalents in the period		24,401
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period		24,401
Cash and cash equivalents comprise:		
Cash at bank and in hand		24,401
		24,401

The accompanying accounting policies and notes 1 to 24 form an integral part of these financial statements.

Regent's University London Limited

PRINCIPAL ACCOUNTING POLICIES

for the period ended 30 June 2021

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. As a newly registered provider, with a period end less than 12 months after the date of its registration with the OfS, the University is not required to comply with the disclosures set out in the Accounts Direction 2019. The Accounts Direction will apply for the year ended 30 June 2022.

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. Forecasts take into consideration the impact of Covid-19 on the University's activities, cashflow and liquidity.

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.

Regent's University London Limited

PRINCIPAL ACCOUNTING POLICIES

for the period ended 30 June 2021

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.

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.

Regent's University London Limited

PRINCIPAL ACCOUNTING POLICIES

for the period ended 30 June 2021

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.

Business combinations and goodwill

The acquisition accounting applied to the transfer of the university business from ICET to Regent's University London Limited on 29 September 2020 has been in accordance with FRS102. An independent professional was appointed to measure the cost of the acquisition. The cost of the acquisition was £7.3m. £1.0m was paid to ICET on completion, a further £4.4m is the fair value of future donations to ICET when the University generates positive EBITDA from 2025. A further £1.9m was payable in Stamp Duty on assignment of the lease from ICET to Regent's University London Limited.

The acquired assets and liabilities were

	£m
Intangible assets	0.2
Tangible fixed assets	9.2
Investments	0.3
Stock	0.1
Debtors	7.4
Cash at bank	14.0
Creditors	(21.3)
Provisions	(3.5)
Net assets	<u>6.4</u>

The cost was allocated to the acquired assets and liabilities and the resulting goodwill was calculated. The acquirer and date of acquisition were determined. Asset and liabilities were fair valued. No fair value adjustments were considered necessary for assets and liabilities on the balance sheet at the date of transfer. Other than computer software with a fair value of £0.2m, no value was attributed to other potential intangible assets as noted below.

Goodwill on acquisition is considered to relate to the value of the student and staff body which transferred at acquisition. The amortisation period has therefore been calculated through reference to the University's business cycle which is three years in line with the length of most undergraduate degrees.

The hive-up of Regent's Conferencing & Events Limited is considered a group restructuring and therefore the carrying values of the assets and liabilities were not required to be adjusted to fair value. As the combined entities operated the same accounting policies no adjustments were required to align these policies.

Regent's University London Limited

PRINCIPAL ACCOUNTING POLICIES

for the period ended 30 June 2021

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have made the following judgements:

- On transfer no intangible assets were attributed value except for software being used within the business. The University's other potential intangible assets are brand, relationship with the student body and degree awarding powers. The value of these intangible assets was considered as part of the acquisition. The brand is considered to lack recognition and has been undermarketed. The University is also absent from academic rankings and therefore no value was attributed to the University's brand. Degree awarding powers were not identified as a separate asset and no value was attributed as the University could pay a third party to validate the University's degrees.

Other key sources of estimation uncertainty

- Trade debtors (see note 12)

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed annually, on an individual debtor basis, to consider whether each debt is recoverable and estimate a value for irrecoverable debtors.

- Creditors: Amounts falling due after one year (see note 14)

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 a number of judgements surrounding the valuation of the deferred contingent consideration of £4.4m shown in Note 14. 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 University defined as a positive EBITDA using the definition shown on page 7, which reconciles profit to EBITDA, 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 used a rate of 3.9% (3.2% post tax) representing a blended rate for BBB and BB companies (Industrials) as at 29 September 2020. This has been considered an appropriate rate to use, noting the structure and funding arrangements of the group.

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2021

1(a). Tuition Fee Income

	Period ended 30 June 2021 £000
Tuition and registration fees	31,031
	<hr/>
	31,031

1(b). Sources of Tuition Fee Income

	Period ended 30 June 2021 £000
Fee income for taught awards	29,875
Fee income for research awards	195
Fee income from non-qualifying courses	961
	<hr/>
Tuition and registration fees	31,031

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

2. Other Income

	Period ended 30 June 2021 £000
Residences & Catering	183
Rental and Room Hire	46
Central services	63
Car Park	12
Conferencing	65
Furlough grant	106
Other	109
	<hr/>
	584

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2021

3. Investment Income

	Period ended 30 June 2021 £000
Bank interest receivable	1
Dividend income	3
	<hr/>
	4
	<hr/> <hr/>

4. Employees

	Period ended 30 June 2021 No.
The monthly average number of persons (excluding independent Directors) employed during the period was:	
Management and administration	189
Academic – Full time and Fractional	133
Academic – Visiting Lecturers	17
	<hr/>
Total average full time equivalent	339
	<hr/> <hr/>

	Period ended 30 June 2021 £000
Staff costs for the above persons:	
Wages and salaries	12,863
Social security costs	1,254
Pension costs	887
Other benefits	206
Apprenticeship levy	41
	<hr/>
	15,251
	<hr/> <hr/>

The above includes £718,218 costs for redundancy.

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2021

4. Employees (continued)

	Period ended 30 June 2021 £000
Key Management Personnel remuneration:	
Directors' remuneration	163
VCET remuneration *	379
Total compensation paid to Key Management Personnel	<u>542</u>

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

Six Key Management Personnel were remunerated in the period.

Two non-executive Directors received remuneration of £32,500.

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

Severance payments amounting to £152,705 were made to two Key Management Personnel in the period ended 30 June 2021. Payments included pay in lieu of notice, ex-gratia and severance pay elements. Neither of these severance payments were greater than £100,000 individually and are therefore excluded from the table below.

	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:	
£130,000 – £134,999	1
£150,000 – £154,999	1
£200,000 – £204,999	1
	<u>3</u>

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

The Remuneration Committee considers the remuneration of the Vice-Chancellor & CEO annually. The Remuneration Committee takes individual performance, the University's financial position and budgetary constraints into consideration when determining the remuneration of the Vice-Chancellor & CEO and the VCET. Competitor market pay scale analysis are provided by an independent consultancy Korn Ferry which benchmark both the higher education and corporate sector.

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2021

5. Interest and other finance costs

	Period ended 30 June 2021 £000
Finance lease charges	8
	<hr/> 8 <hr/>

6. Analysis of other operating expenses

	Period ended 30 June 2021 £000
Academic departments	308
Academic support	723
Student services	1,165
Governance	105
Central services	2,889
Estates	7,084
ITS and MIS	1,098
Bad debts	181
Conferencing	76
Amortisation	144
Bursaries and scholarships	568
Onerous Lease and Dilapidation provision	(2,484)
Donation to charity	400
	<hr/> 12,257 <hr/>

138 scholarships and bursaries were granted to individuals in the period ended 30 June 2021.

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2021

6. Analysis of other operating expenses (continued)

	Period ended 30 June 2021 £000
Other operating expenses include:	
Operating lease rental – land and buildings	3,598
Auditor's remuneration (including VAT)	
- Auditing of the financial statements	100
- Audit-related assurance services – US loans	5
- Irrecoverable VAT on auditor's remuneration	21
Depreciation on assets held under finance lease	58
Exchange loss	7
	<hr/> <hr/>

7. Loss on investments

	Period ended 30 June 2021 £000
Realised loss on investments	(33)
Increase in market value of investments	31
	<hr/> <hr/>

8. Tax on surplus

	Period ended 30 June 2021 £000
Current taxation:	
UK corporation tax on profits for the period	331
Deferred taxation:	
Origination and reversal of timing differences	(121)
Tax on profit	<hr/> <hr/>

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2021

8. Tax on surplus (continued)

	Period ended 30 June 2021 £000
Provision for deferred tax:	
Fixed asset timing differences	
- Net fixed asset timing differences	(72)
Short term timing differences	
- Pension contributions	(22)
Losses and other deductions	
- Unused losses	(27)
Total deferred tax (asset)	<u>(121)</u>

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:

	Period ended 30 June 2021 £000
Profit before tax	2,634
Profit multiplied by the standard rate of corporation tax in the UK of 19%	500
Effects of :	
Fixed asset differences	153
Expenses not deductible for tax purposes	54
Income not taxable for tax purposes	(472)
Other tax adjustments, reliefs and transfers	(25)
Tax on profit	<u>210</u>

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 profits for the period ended 30 June 2021 would be additional corporation tax of £158,000.

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2021

9. Intangible Assets and Goodwill

	Computer software £000	Goodwill £000	Total £000
Cost			
10 July 2020	-	-	-
Additions	6	930	936
Acquisition	209	-	209
30 June 2021	215	930	1,145
Accumulated Amortisation			
10 July 2020	-	-	-
Charged in the period	28	116	144
30 June 2021	28	116	144
Net book value			
30 June 2021	187	814	1,001

(*) – Included under Note 22 - Business acquisitions.

10. Tangible Assets

	Short leasehold improvements £000	Computer equipment £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost					
10 July 2020	-	-	-	-	-
Additions	825	85	-	66	976
Acquisition (1)	7,166	1,445	61	537	9,209
Transfer (2)	-	18	-	24	42
30 June 2021	7,991	1,548	61	627	10,227
Accumulated Depreciation					
10 July 2020	-	-	-	-	-
Charged in the period	901	372	24	170	1,467
Transfer (2)	-	18	-	24	42
30 June 2021	901	390	24	194	1,509
Net book value					
30 June 2021	7,090	1,158	37	433	8,718

(1) Relates to assets acquired at net book value (considered materially equivalent to fair value) as part of the transfer of University business from The Inner Circle Educational Trust. Included under note 22 - Business acquisitions.

(2) Relates to the assets transferred as part of the hive up of the trade and assets of Regent's Conferences & Events Ltd to the University.

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2021

II. Investments

	30 June 2021 £000
Listed investments and cash deposits	-
	- -----
	£000
Quoted investments and cash deposits:	
Market value at 10 July 2020	-
Add : Transfer on acquisition at market value at 30 September 2020	337
Less: Disposals at original cost (proceeds £316,662; loss £32,938)	(350)
Management fees	(2)
Add : Acquisitions at cost	320
Gain on revaluation	31
Liquidation	(336)

Market value at 30 June 2021	-

	30 June 2021 £
Subsidiary undertakings	2

The University held more than 20% of the equity of the following companies at 30 June 2021:

Name of company	Class of holding	Proportion held	Nature of business
Regent's Conferences & Events Ltd	2 Ordinary £1 shares	100%	Provision of conference facilities

The trade and assets of Regent's Conferences & Events Ltd were hived-up to the University on 1 January 2021. The company has not traded since this date. The Directors intend to strike this company off in 2022 having no requirement for a separate legal entity due to the change in the taxation status of the University.

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2021

12. Debtors

	30 June 2021 £000
Trade debtors	977
Amount due from subsidiary undertaking (**)	439
Other debtors	190
Prepayments and accrued income	2,093
	<hr/> 3,699 <hr/>

(**) Amounts due from the subsidiary are of no fixed term and are non-interest bearing

13. Creditors: Amounts falling due within one year

	30 June 2021 £000
Trade creditors	358
Other taxation and social security costs	754
Other creditors	1,938
Obligations under finance lease contracts	77
Other provisions (*)	949
Accruals and deferred income	4,302
	<hr/> 8,378 <hr/>

(*) This relates to an onerous lease provision, recognised on the basis that of future obligations arising from rent settlement for the Marylebone properties.

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2021

14. Creditors: Amounts falling due after one year

	30 June 2021
	£000
Due 12–24 months:	
Obligations under finance lease contracts	80
Due 24–60 months:	
Obligations under finance lease contracts	83
Deferred contingent consideration for acquisition	4,416
	<hr/>
	4,579
	<hr/>

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

(*) – Included under Note 22 – Business acquisitions

15. Called up Share Capital

	30 June 2021
	£000
Authorised, allotted, called up and fully paid: 22,500,000 ordinary shares of £1 each	22,500
	<hr/>
Ordinary shares	2021 Number
At 10 July 2020 on Incorporation	1,000
Share Issue	22,499,000
	<hr/>
At 30 June 2021	22,500,000
	<hr/>

Consideration received for the allotment of ordinary shares during the period was £22,500,000.

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2021

16. Commitments and Contingent Liabilities

At 30 June 2021 the University had minimum lease payments under non-cancellable leases as set out below:

	30 June 2021 £000
Operating lease commitments relating to land and buildings:	
Not later than 1 year	3,829
Later than 1 year and not later than 5 years	15,317
Later than 5 years	96,371
Total	<u>115,517</u>

The Operating lease rental – land and buildings expense in the period was £3,598,000.

Finance lease commitments relating to printers:	
Not later than 1 year	77
Later than 1 year and not later than 5 years	163
Total	<u>240</u>

The Finance lease charges in the period were £7,669.

17. Financial instruments

	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	977
Amounts due from subsidiary undertaking	439
Other debtors	190
Cash at bank and in hand	24,401
	<u>26,007</u>
Financial liabilities that are debt instruments measured at amortised cost:	
Trade creditors	358
Other creditors	1,589
Obligations under finance lease contracts	240
Accruals	1,533
Deferred contingent consideration for acquisition	4,416
	<u>8,136</u>

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2021

18. Related party transactions

During the period management fees amounting to £221,167 and IT Recharges amounting to £6,409 was charged by Galileo Global Corporate Services SAS and management fees amounting to £239,713 was charged by GGE BCO I SASU. Both these companies are part of the Galileo Global Education Luxco S.à.r.l. group. As at 30 June 2021, £20,778 was receivable from Galileo Global Corporate Services SAS.

19. 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 period ended 30 June 2021. There were outstanding contributions in relation to the University amounting to £119,216 as at the balance sheet date. Pension costs during the period were £1,093,000.

20. Reconciliation of net funds

	10 July 2020 £000	Cashflows £000	New Finance Leases £000	30 June 2021 £000
Cash at bank and in hand	-	24,401	-	24,401
Obligations under finance leases	-	-	(240)	(240)
Net funds/(debt)	-	24,401	(240)	24,161

21. Other provisions

	30 June 2021 £000
As at 10 July 2020	-
Acquisition at fair value:	
Onerous Lease	2,685
Dilapidation	848
	<hr/>
	3,533
Release of provisions, net of reverse premium paid	(2,484)
Amount paid in the period	(100)
Reclassified as a liability under "Creditors: Amounts falling due within one year"	(949)
	<hr/>
As at 30 June 2021	-

This provision relates to leases for Paddington Street and Garbutt Place which were assigned to a third party after the period end. This has now been included under Creditors: Amounts falling due within one year.

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2021

22. Business acquisitions

On 29 September 2020, the company acquired a university which was transferred from the Inner Circle Educational Trust (ICET) for a cash payment of £1m and annual payments of £0.2m. These payments start from financial year ending June 2025 and are paid in perpetuity if EBITDA is positive. The present value of the future payments is £4.4m. In calculating the goodwill arising on acquisition, the fair value of net assets was reviewed and considered to be materially equivalent to the net book value.

	30 June 2021 £m
Fixed Assets:	
Intangible assets	0.2
Tangible assets	9.2
Investments	0.3
Current Assets:	
Stock	0.1
Debtors	7.4
Cash at bank and in hand	14.0
Total Assets	<u>31.2</u>
Creditors	(21.3)
Provisions	(3.5)
Net Assets	<u>6.4</u>
Goodwill (Note 9)	0.9
Total purchase consideration	<u>7.3</u>
Total purchase consideration made up as follows:	
Purchase consideration settled in cash including Stamp duty paid to transfer property leases	2.9
Future cash payments	4.4
	<u>7.3</u>
Purchase consideration settled in cash, as above	(2.9)
Cash and cash equivalents acquired	13.6
Cash inflow on acquisition	<u>10.7</u>

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2021

23. *Post balance sheet events*

- i) On 16 August 2021, the University assigned the leases for Paddington Street and Garbutt Place to a third party. Whilst the assignment completed post period end the conditions existed at the balance sheet date and therefore this transaction was considered an adjusting post balance sheet event. The impact of this arrangement was to decrease net expenditure by £2.5m, owing to the release of previously recognised provisions.
- ii) The University reopened for the delivery of face-to-face teaching in September 2021. In the period ended 30 June 2021, the University operated a largely online offer with only a small number of practical subjects being able to access the campus. The University will continue to follow the Governmental and Public Health England advice and mandates throughout 2021/22.

24. *Ultimate parent undertaking and controlling party*

The company's parent company is Galileo Global Education Luxco S.à.r.l 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, whose registered office is 41 Rue Saint-Sébastien, Paris 75011. Copies of these financial statements are available to the public from its registered office.

Regent's University London Limited
SUPPLEMENTAL SCHEDULE TO THE FINANCIAL STATEMENTS
for the period ended 30 June 2021

SI 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.

Lines	UK GAAP Ref.	Primary Reserve Ratio	Period ended 30 June 2021	
			£	£
		Expendable Net Assets:		
Page 25	Balance Sheet – Total Net Assets	Net assets without donor restrictions		24,924,000
	None	Net assets with donor restrictions		-
	None	Secured and Unsecured related party receivable	-	
	None	Unsecured related party receivable		-
Page 25	Balance Sheet – Tangible Assets	Property, plant and equipment, net (includes Construction in progress)	8,718,000	
	None	Property, plant and equipment - pre-implementation		-
Cell K362	WP - Fixed assets	Property, plant and equipment - post-implementation with outstanding debt for original purchase		238,000
Cell K386	WP - Fixed assets	Property, plant and equipment-post implementation without outstanding debt for original purchase		8,480,000
	None	Construction in process		-
	None	Lease right-of-use asset, net	-	
	None	Lease right-of-use asset pre-implementation		-
	None	Lease-right-of use asset post-implementation		-
Page 25	Balance Sheet – Intangible Assets	Intangible assets		-
	None	Post-employment and pension liabilities		-
Page 40	FS Note 14 – Creditors: Amounts falling due after one year	Long-term debt - for long term purposes	4,579,000	
	None	Long-term debt for long term purposes - pre-implementation		-

Regent's University London Limited
 SUPPLEMENTAL SCHEDULE TO THE FINANCIAL STATEMENTS
 for the period ended 30 June 2021

SI Financial Responsibility Supplemental Schedule (continued)

Lines	UK GAAP Ref.	Primary Reserve Ratio	Period ended 30 June 2021	
			£	£
		Expendable Net Assets:		
Page 40	FS Note 14 – Creditors: Amounts falling due after one year.	Long-term debt for long term purposes - post-implementation		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		-
		Total Expenses and Losses:		
Page 23	Statement of Comprehensive Income and Expenditure	Total expenses without donor restrictions - taken directly from Statement of Activities		28,983,000
Page 23	Statement of Comprehensive Income and Expenditure – Loss on Investments	Non-Operating and Net investment (loss)		2,000
Page 35	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 25	Balance Sheet – Total Net Assets	Net assets without donor restrictions		24,924,000
	None	Net assets with donor restrictions		-

Regent's University London Limited
 SUPPLEMENTAL SCHEDULE TO THE FINANCIAL STATEMENTS
 for the period ended 30 June 2021

SI Financial Responsibility Supplemental Schedule (continued)

Lines	UK GAAP Ref.	Equity Ratio	£	£
		Modified Net Assets:		
Page 37	FS Note 9 - Intangible Assets	Intangible assets		1,001,000
	None	Secured and Unsecured related party receivable	-	
	None	Unsecured related party receivables		-

Lines	UK GAAP Ref.	Equity Ratio	£	£
		Modified Assets:		
Page 25	Balance Sheet – Fixed Assets + Current Assets	Total assets		37,881,000
	None	Lease right-of-use asset pre-implementation		-
	None	Pre-implementation right-of-use leases		-
Page 37	FS Note 9 - Intangible Assets	Intangible assets		1,001,000
	None	Secured and Unsecured related party receivable	-	
	None	Unsecured related party receivables		-

Lines	UK GAAP Ref.	Net Income Ratio	£	£
Page 23	Statement of Comprehensive Income and Expenditure – Total comprehensive expenditure for the year	Change in Net Assets Without Donor Restrictions		2,424,000
Page 23	Statement of Comprehensive Income and Expenditure – Total Income	Total Revenues and Gains		31,619,000