

Regent's University London Limited

REPORT AND FINANCIAL STATEMENTS

Period ended 30 June 2023

Company Registration No. 12734671

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Regent's University London Limited

LEGAL AND ADMINISTRATIVE INFORMATION

Directors

Nicholas Whitaker –Chair*^{2,3}
Professor Geoff Smith– Vice-Chancellor & CEO³
Alison Allden OBE^{1,2}
Bruno Mourgue d'Algue^{1,3} – resigned 1 September 2023
Professor Markus Alexander Castulus Kolo¹
Sébastien Ferrand² – resigned 13 September 2023
Anne-Gaëlle Moisy - appointed 13 September 2023
Kamil El Ghali Senhaji - appointed 13 September 2023

¹ Member of the Audit and Risk Committee at 30 June 2023

² Member of the Remuneration Committee at 30 June 2023

³ Member of the Nominations Committee at 30 June 2023

*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 – resigned 11 July 2022
Dr Aoife McGuinness – appointed 11 July 2022, resigned 11 October 2022
Jessica Vine – appointed 16 March 2023

Registered Office and Principal Address

Inner Circle
Regent's Park
London
NW1 4NS

External Auditors

Deloitte LLP
3 Rivergate
Temple Quay
Bristol
BS1 6GD

Internal Auditors

Mazars LLP
30 Old Bailey
London
EC4M 7AU

Solicitors

Withers
20 old Bailey
London
EC4M 7AN

Regent's University London Limited

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

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

BNP Paribas
London Branch
10 Harewood Avenue
London
NW1 6AA

Insurance Brokers

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

Regent's University London Limited

STRATEGIC REPORT

University Background

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

From 30 September 2020, the company operated a university which was a registered English Higher Education Provider with the Office for Students (UKPRN 10086591). This report summarises the University's activities in the year ended 30 June 2023. This report and the financial statements are prepared in accordance with the Accounts Direction OfS 2019.41 issued by the OfS in October 2019 and complies with applicable law.

University Strategy

The University launched the 2021-25 Strategic Plan in June 2021. The Strategic Plan was refreshed in 2023 and approved by the Board on 19 September 2023. The refreshed Strategic Plan covers the period 2023 – 2028. The University's organisational promise is to deliver a premium, transformative education, rich in global connections. Students will leave Regent's University London as globally minded graduates that bring purpose and passion to people and planet.

The plan contains three mutually-reinforcing, strategic priorities:

1. Teaching Excellence – the University's ambition is to be rated Gold in the Teaching Excellence Framework (TEF). Most of Regent's current TEF metrics are classed as very high quality which led to a Silver award in the TEF 2023. The aim is to build on this achievement in defining and demanding excellence across teaching practice, learning design, learning technology and the learning environment.
2. Commercial Focus – Regent's ambition is to be generating top-line revenues of £100m with 30% EBITDA by 2028. The growth will be driven primarily by rising student number (to 3,000 on-campus, degree-seeking students) and an increasingly market-aligned course portfolio. The University's Conferencing & Events business and Regent's School of English also play a vital role. Regent's commercial success will enable it to invest sustainably in its students, staff and infrastructure.
3. Cultural Change – the University's ambition is to be a workplace and a community where people thrive and love coming to work. The University is determined to improve staff engagement, happiness, belonging, development and, consequently, its net promoter scores.

Performance Review

The University's financial performance in the year ended 30 June 2023 was stronger than anticipated, outperforming both budget and reforecast financial targets. Whilst still in a recovery phase following the significant impact from Covid-19, student numbers and their associated revenue streams were better than expected. Tuition income grew by 16.5% over the period 2021/22 to 2022/23.

The University's results for the year to 30 June 2023 show an adjusted profit of £4.5m (£0.7m 2021/22). The 2022/23 adjusted profit performance was driven by a stronger revenue in both core teaching activity and non-core activities - the conferencing and events business and the Regent's School of English.

As at 30 June 2023, the net assets amounted to £28.1m (£24.3m 2021/22).

The principal risks and uncertainties facing the company are described on pages 15 to 20 in the Statement of Corporate Governance and Internal Control.

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STRATEGIC REPORT

Financial Activities and Results

Financial Highlights

RESULTS, CASHFLOWS AND RESERVES

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Total Income	46,950	38,398
Total Expenditure	42,442	39,703
Profit/(loss) Before Other Losses	4,508	(1,305)
Profit/(loss) Before Taxation	4,508	(1,305)
Adjusted profit (*)	4,525	704
Adjusted profit (%)	9.64%	1.83%
Net Cash from Operating Activities (After Taxation)	4,990	1,893
Fixed Assets	10,742	10,091
Net Current Assets	18,274	17,858
Total Shareholders' Funds	28,078	24,286

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

The Financial Statements

The Financial Statements presented by the Directors comprise the results of the University. There are no subsidiary companies.

Results for the Period

The University's total income for the year was £47.0m compared with revenues of £38.4m in 2021/22, a growth rate of 22.4%. New student numbers exceeded budget by 27.4% across the two intakes in autumn 2022 and spring 2023.

Non-teaching revenue streams have recovered well after the campus reopened in September 2021, other revenue in the year to 30 June 2023 was £7.3m, an increase of £2.6m (55.3%) on the prior year (£4.7m to 30 June 2022).

Pay costs of £18.7m (£17.2m to 30 June 2022) were materially in line with forecast in 2022/23. The full-time equivalent number of staff at 30 June 2023 was 338 (328 2021/22). This figure includes Visiting Lecturers. Other operating expenses of £24.7m (£21.8m 2021/22) were in line with expectations and activity levels.

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As at 30 June 2023, the total reserves amounted to £28.1m (£24.3m 2021/22), with share capital representing £22.5m.

Bursaries and scholarships of £0.2m (£0.5m 2021/22) were awarded to students based on academic merit and financial need. The University also worked with the Inner Circle Educational Trust (ICET) on hardship cases with students accessing the charity's funds in 2022/23. The relationship with ICET has now ceased as the charity changed its strategic direction to provide broader support to disadvantaged communities in accessing higher education.

A settlement has been reached with ICET for the deferred consideration balance amount as shown in the adjusted profit calculation on page 7.

Cash Flow

The cash flow statement shows there was an increase of £2.3m (£1.0m decrease 2021/22) in cash over the period. The University's net cash inflow from operating activities was £5.0m (£1.9m 2021/22). Cash outflows linked to capital investment in the period £2.7m (£2.9m 2021/22) trended back towards longer-term average spend levels. As the University recovers post-pandemic, capital investment will increase as the University continues to invest in student experience as part of the strategic plan.

Key Performance Indicators

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

The University's key performance indicators were agreed in 2023 as part of the new Strategic Plan 2023-28:

Ref	KPI	Actual 2021/22	Target 2022/23	Actual 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28
KPI 1	Overall Student Satisfaction	82.5%	83.8%	86.28%	86.62%	86.97%	87.31%	87.66%	88.0%
KPI 2	Undergraduate Continuation	78.6%	84%	81.75%	79%	81%	83%	87%	90%
KPI 3	Positive Graduate Outcomes	80%	81%	85%	85%	86%	87%	87%	88%
KPI 4	Staff Engagement	62	65	65	68	70	70	72	72
KPI 5	New Enrolments	791	950	1,210	1,375	1,557	1,707	1,862	2,025
KPI 6	Positive Impact	N/a	N/a	N/a	80	81	82	83	84

The University closely tracks all student related KPIs (KPI1, KPI2 and KPI3). Delivering across these KPIs is critical to the University's aspiration for achieving TEF Gold by 2027/28 having secured Silver in 2022/23.

Overall Student Satisfaction (KPI1) fell in 2020/21 due to the detrimental impact of Covid-19 on student experience. The annual survey in 2020/21 showed an overall student satisfaction rate of 78% at Regent's. This metric recovered to 82.5% in 2021/22 and 86.28% in 2022/23. This excellent result meant that Regent's is now 1st amongst London-based universities and 3rd in England and 4th in the UK for overall student satisfaction. The targets for the periods 2023/24 to 2027/28 have been recalibrated to drive further improvement in this KPI.

Regent's University London Limited

STRATEGIC REPORT

KPI2 – Full retention data for 2022/23 will not be available until enrolment has been completed for the spring 2024 term in March 2024. A provisional figure has been included showing the retention rate for new students in autumn 2022 progressing to autumn 2023 term. This provisional figure shows 81.75% from 78.6% in 2021/22. The targets for the period 2023/24 to 2027/28 have been approved as part of the University's retention strategy; the University's aspiration is for undergraduate retention rates to hit 90% by 2027/28.

KPI3 improved from 79% in 2020/21 to 80% in 2021/22 and the University met the target set for this KPI. This KPI is a lag indicator and measures the number of graduates in professional employment or further study 15 months after graduation. The University has also performed well in terms of student entrepreneurial activity. A study by Resume.io in 2021 found that 12.2% of Regent's graduates go on to form their own companies with an article in the Ladders.com concluding that 'the school with the highest density of founders is the less well-known Regent's University London'. The University has continued to invest in driving entrepreneurial activity with the launch of the Innovation Lab, a shared workspace for use by students and alumni in conjunction with Huckletree. This new space was opened in September 2023.

KPI4 – a staff survey was undertaken in 2021/22, and although there was a high response rate at 71%, the engagement index score of 62 was well below the intended target rate of 75. However, an entirely new methodology has been adopted which renders our original targets unrealistic. The general UK benchmark engagement index, under this methodology, is 72 which had led us to significantly recalibrate our ambitions. Cultural change and increased engagement is as much a priority as ever but now framed by more realistic, comparative benchmark data. Following the survey, the University implemented a 6% pay increase as well as a more generous benefits package in response to feedback. A fuller review of pay ranges against market data, and further changes to the benefits package will be undertaken ahead of the 2024 pay review. The University's ambition is for the 2024/25 pay award to be linked to personal performance against 2023/24 objectives.

KPI5 – the University has exceeded targets for recruitment in 2021/22 and 2022/23. The autumn 2022 target for new student enrolments with an intake of 819 against a budget target of 700. Spring 2023 recruitment of 391 substantially exceeded the target of 250. The University narrowly missed the autumn 2023 target of 950 but returning student numbers were better than budget.

KPI6 – the University is committed to balancing both the commercial success of the organisation with having a positive impact on people and planet. As such, the University is committed to gaining B Corp certification in 2023/24. The B Impact Assessment score, a single aggregated metric, will be used to measure our positive impact across five categories: governance, workers, community, environment, and customers. This KPI will subject to recalibration after we receive the score of our first B Impact Assessment.

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STRATEGIC REPORT

Adjusted profit calculation from profit for the year

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Profit/(loss) for the year	3,792	(638)
Add back:		
Management fees	798	442
Discontinued student accommodation	3	227
Donation to ICET charity	200	-
Restructuring costs	84	78
Marylebone properties rent	-	96
Corporation tax	716	(667)
Bad debts – subsidiary	-	86
Exchange gains & losses	10	11
Depreciation and amortisation	2,409	2,499
Less:		
Interest receivable	(476)	(25)
Deferred consideration movement	(3,011)	(1,405)
Adjusted profit	<u>4,525</u>	<u>704</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 2023, the University's reserves were £28.1m (£24.3m 2021/22). Cash balances were £25.7m (2021/22 £23.4m).

The principal risks and uncertainties faced by the University are considered in the Statement of Corporate Governance and Internal Control on pages 15 to 20.

Outlook and Going Concern

The University is confident about delivery of the refreshed five-year financial plan to 2028. The Covid-19 period with restrictions on international travel, and the ability to deliver face-to-face teaching, was extremely challenging for the University. However, student demand has recovered well and recruitment levels for spring 2023 and autumn 2023 have exceeded pre-Covid levels of 2019/20.

Other revenue areas which are linked to student recruitment such as accommodation and catering are performing well, with Reid Hall at capacity for the 2022/23. The University's conferencing and events business performed is performing well and revenues for the year ended 30 June 2023 were £3.2m (£2.5m 2021/22). The conferencing & events team are looking to increase both revenues and profitability in 2023/24.

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The University will continue to grow student numbers through delivery of the Strategic Plan. The course portfolio development will be led by market data, deliver growth, and amplify the brand and value proposition for future students. Ten new courses were launched to market in summer 2023 for the autumn 2024 intake.

Other growth initiatives include a high-quality and high-value Collaborative Provision with other higher education partners. The Curriculum Model project also forms part of the Strategic Plan and will ensure a future-facing, high quality, industry-connected learning experience. All existing courses were successfully revalidated within the new curriculum framework and re-launched to the market for the autumn 2023 intake.

A growing risk as the University enters the post-pandemic phase is the surge in inflation with the Consumer Prices Index moving from 2.0% in July 2021 peaking at 11.1% in October 2022 before dropping to 7.9% in June 2023. Inflationary pressure has impacted across the University's cost base. A 6% pay award was paid from July 2023 and cost pressure is anticipated in the short to medium term. Office of Budget Responsibility forecasts suggest a rapid fall reaching and oscillating around 0% inflation from mid-2024 to mid-2026 as energy costs fall back and global supply pressures reverse. Tuition fees have been increased by an average of 5% from September 2023. Tuition fees for 2024/25 have been published and increases of c10% will help to mitigate the impact of inflationary pressures locked-in the University's cost base. The university will continue to monitor the impact of inflation and competitors' fees to ensure both student recruitment and profitability targets are met.

The low point in the University's cash position was the end of the 2021/22 financial year (£23.4m). Cash balances have increased, as planned though trading - £5.0m cash inflow from operating activities in 2022/23. Medium-term cash flow projections are refreshed annually with the five-year forecast to ensure any liquidity risks are managed.

The Board of directors conclude there are no material uncertainties in relation to the University's ability to continue as a going concern for at least 12 months from approving the financial statements. Therefore, the Board of directors consider the use of the Going Concern basis for preparation of the financial statements to be appropriate.

Companies Act 2006, Section 172

The Companies Act 2006, Section 172 is considered in the Directors' report on pages 9 to 14.

This report was approved by the Board of Directors on 23 November 2023.



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). These financial statements report the results of the University for the year to 30 June 2023 and a comparative period 30 June 2022.

The University is a registered English Higher Education Provider with the Office for Students (OfS) (UKPRN 1008651). It is governed by its Articles of Association.

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

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

The University's Academic Committee had responsibility for academic development and standards. The Academic Committee has continued to improve academic standards, the learning experience of students, the environment for study and the scholarship of its staff.

In the year ended 30 June 2023, three committees carried out certain tasks within specific terms of reference as follows:

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

At 30 June 2023, 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 2023-2028 which was introduced to the business in June 2023 at the University's Employee Conference. 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

To deliver a premium, transformative education, rich in global connections.

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 including the Office for Students (OfS) as the higher education sector regulator;
- the impact of the company's operations on 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 five pages.

The University had minimal interaction with the OfS in the year ended 30 June 2023. This was expected as the University's financial position strengthened post pandemic. The University monitor its conditions of registration closely and has submitted all data returns requested by the OfS.

In September 2023, the Directors' approved a refreshed Strategic Plan for the period 2023-2028 and several priority projects to deliver the step-change required to deliver long-term commercial and reputational growth, driven by rising student enrolments and great graduate outcomes. The Directors monitor performance against the Strategic Plan and priority projects through regular progress reports to the Board.

In developing the Strategic Plan and priority projects, which are driven by an understanding of the longer-term consequences of the required actions, the Directors ensured that they considered the requirements of the student body and the company's employees. A Business Transformation team led by the Chief Transformation Officer ensures robust project management. 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 arranged by Galileo Global Education group for all Directors to provide appropriate cover for their reasonable actions on behalf of the Company. The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the year to 30 June 2023 and remain in force for all current and past Directors of the Company.

Reappointment of Auditors

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

Dividends

No dividend is proposed in relation to the year ended 30 June 2023 (2022: no dividend proposed).

Student experience

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

Regent's University London Limited

DIRECTORS' REPORT

Suppliers

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

Payment of creditors

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

Employment of disabled persons

The University has an Equality, Diversity & Inclusion Policy which states that the University is fully committed to promoting and implementing equal opportunities for all staff. This is underpinned by a recruitment and selection code of practice. The University makes reasonable adjustments to working arrangements for disabled applicants or 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 their 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 VCET on matters which affect them. The Committee is chaired by the HR Director and meetings are normally held quarterly. Staff can raise matters through their JCC representative who then shares the response received.
- Periodic Town Hall meetings open to all staff, where the Vice-Chancellor & Chief Executive Officer and members of the VCET present a summary of strategic developments and respond to questions. Town Hall meetings update staff on progress against the Strategic Plan, financial performance against budget and reforecast and other strategic matters including external factors which could impact on the University's performance.
- The University's intranet regularly publishes information about strategic developments alongside more operational matters. A summary of the University's financial position is also published on the intranet on an annual basis.
- The University's intranet and the Regent's Student App, which was relaunched in August 2022, also provide important channels for the Directors and VCET to communicate to staff and students.

Regent's University London Limited

DIRECTORS' REPORT

Environmental impact

The University is committed to improving its environmental performance. The table below shows the performance across key metrics for the year to 30 June 2023 and the equivalent period in the prior year.

During 2022/23 face-to-face delivery recommenced and student and staff campus footfall was higher than the previous year. With students returning to campus, we have seen some expected increases in consumption of gas and electricity from 2021/22. Taking 2018/19 as a pre-Covid-19 benchmark the University has achieved absolute reductions across all categories of consumption. Over the period 2018/19 to 2022/23 gas usage has fallen from 121 kWh/m² to 114 kWh/m² and electricity from 93 kWh/m² to 68 kWh/m². The University has also been successful in driving emissions down, reduced water consumption and significantly reduced waste levels from 2018/19. Recycling rates are being targeted with a new waste contractor which was appointed in November 2022.

Aspect	2021/22	2021/22 Intensity measure (*)	2022/23	2022/23 Intensity measure (*)	Movement 2021/22-2022/23	2018/19
Electricity (kWh)	1,731,656	65 kWh/m ²	1,798,475	68 kWh/m ²	+4%	2,448,101
Gas (kWh)	2,605,579	99 kWh/m ²	3,016,079	114 kWh/m ²	+16%	3,188,829
Scope 1 Emissions from combustion of gas	477 tCO ₂	N/a	562 tCO ₂	N/a	+18%	586 tCO ₂
Scope 2 Emissions from purchased electricity	368 tCO ₂	N/a	346 tCO ₂	N/a	-6%	626 tCO ₂
Scope 3 Emissions from upstream transport and distribution losses and excavation and transport of fuels	210	N/a	117	N/a	-44%	224
Intensity ratio: tCO ₂ /m ² from scope 1,2 & 3 market based	0.026	N/a	0.027	N/a	+4%	0.0031
Water (m ³)	8,493	4 m ³ /FTE	15,686	6 m ³ /FTE	+85%	21,836
Waste (kg)	182,797	88 kg/FTE	185,467	88 kg/FTE	+1%	281,174
Waste (recycling rate %)	57%	N/a	42%	N/a	-15%	58%

Regent's University London Limited

DIRECTORS' REPORT

Environmental impact methodology

Responsibilities of Regent's University London and Environmental consultant

Regent's University London is responsible for the internal management controls governing the data collection process. The Environment consultant is responsible for the data aggregation, any estimations and extrapolations applied (as required) and GHG calculations performed and the emissions statements.

Regent's University London conducts consistent monitoring of electricity and gas as part of the 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.

Scope and Subject Matter

The boundary of the report included all campuses under operational control. This includes the Regent's Park campus.

GHG sources included in the process:

- Scope 1: Company cars, natural gas, diesel for electricity generation, other fuels
- Scope 2: Purchased electricity
- Scope 3: Business travel in employee owned or hired vehicles
- Types of GHGs included, as applicable: CO₂, N₂O, CH₄, HFCs, PFCs, SF₆ and NF₃

The figures were calculated using UK Government conversion factors, expressed as tonnes of carbon dioxide equivalent (tCO₂e). Methodology for calculations was the Greenhouse Gas Protocol Corporate Greenhouse Gas Accounting and Reporting Standard.

Future Business developments

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

Risk Management

These are included under Risk Management in the Statement of Corporate Governance and Internal Control on pages 17 to 20.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the 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 company will continue in business.

Regent's University London Limited

DIRECTORS' REPORT

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

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

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

In so far as the Directors are aware:

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

This report was approved by the Board of Directors on 23 November 2023.



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. The Articles of Association clearly set out the responsibilities and duties of individual Directors in relation to conflicts of interest. In addition to the non-executive directors, the Vice-Chancellor & Chief Executive Officer is a director.

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

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

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

The effectiveness of the Board and its Committees will be regularly reviewed. As a newly formed company, the Board commissioned an independent review in the period to 30 June 2021. The review assessed the University's Corporate Governance against sector best practice and its expectations across each of the Public Interest Governance Principles. A follow-up review of the Board's effectiveness was undertaken in summer 2022 and reported to the Board in September 2022. An external Corporate Governance review has been commissioned in the 2023/24 financial year. All Board members were of the view that the Board had developed over the year into an effective, working team with a good, divergent balance of skills and experience. The Board's make-up does not attempt to reflect all skills that might be of value (e.g., international sales and marketing) but it is expected that such skills and experience can be called upon from elsewhere in the Galileo Global Education group.

Committees

During the period, the work of the Board was assisted by three committees. All committees have terms of reference which have been regularly reviewed. Committee members and committee chairs are appointed by the Board and membership is regularly reviewed. The committees in place at 30 June 2023 were: Nominations Committee; Audit & Risk Committee; and Remuneration Committee. Below is a summary of the work of Nominations Committee, Remuneration Committee and Audit and Risk Committee.

Nominations Committee

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

Regent's University London Limited

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Remuneration Committee

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

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

The Committee met once in the year ended 30 June 2023. The Vice-Chancellor & Chief Executive Officer was not a member of the Committee but attended meetings to make recommendations on the remuneration of other members of the VCET.

Audit & Risk Committee

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

The Committee met four times year ended 30 June 2023. The internal and external auditors have unfettered access to the Committee. In the year up to approval of the annual accounts on 23 November 2023, the Audit & Risk Committee considered the annual accounts and associated papers, internal audit reports (plan and individual audit reports), external audit reports (external audit 2022/23, audit plan 2022/23, recommendations, and management responses to recommendations), risk management and emerging risks and reviewed the effectiveness of the internal and external auditors. The Committee also received a report from the University's visa compliance team as a follow-up to assurance work undertaken by the University's legal advisors in 2021/22.

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.

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the University's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the period ended 30 June 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

Risk Management

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

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

During the period, the Board regularly reviewed the key risks to which the company was exposed together with the operating, financial and compliance controls that had been implemented to mitigate those risks. The Board is of the view that there is a formal on-going process for identifying, evaluating, and managing the company's significant risks that has been in place for the period ending 30 June 2023 and up to the date of approval of the annual report and accounts. The University's risk management framework is reviewed annually by the internal auditors.

The risk and control framework

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

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

Regent's University London Limited

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

As a minimum, the internal auditors will provide the Audit & Risk Committee with an annual report on internal audit activity in the University. The University 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 University's Risk Management Framework sets out the University's risk appetite. Factors affecting Regent's willingness to take risks include but are not limited to:

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

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

The principal risks faced by the University are:

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

This risk has been mitigated through development of a course development process to ensure market-alignment of the University's portfolio. Portfolio development is data-led and inspired by changing market need. This approach will deliver growth and amplify the Regent's brand and value proposition for future students. The course portfolio and tuition fees have been agreed for September 2024 and the University is aiming to achieve year-on-year growth in new student numbers through a combination of organic growth on existing courses, and the introduction of new courses to the portfolio. Courses which fail to meet recruitment targets will be reviewed and retired if the University concludes that market demand is weak. This risk is linked to KPI5 and is tracked on a regular basis through meetings of the VCET and through Full Marketing Meetings with colleagues from both the University and Galileo Global Education.

Regent's University London Limited

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

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

The Regent's Model will embed real-world challenges and live industry briefs, our high-value networks, a languages and culture offer, a curated selection of specialist electives to develop global leaders, and digital fluency – all co-designed with input from students, alumni, and partners. Its construction has been a shared endeavour, shaped by our academic and professional services community with input from other key stakeholders.

The refreshed Strategic Plan is explicit about the ambition to achieve a Gold in the OfS's Teaching Excellence Framework.

KPI1 and KPI2, Student Satisfaction and Student Continuation respectively, will be tracked and analysed alongside module evaluation data to identify issues and actions required to continually improve the quality of teaching and the wider student experience. The Academic Committee receives an annual report on academic assurance which incorporates metrics on both student experience and continuation and retention rates. The Deputy Vice-Chancellor is led on the University's Retention Strategy which was approved by the Board on 19 September 2023. The Retention Strategy follows an internal audit on student retention in 2022/23.

3) Failure to comply with the requirements of regulatory bodies.

The University operates in a complex regulatory environment. The University is committed to ensuring that all obligations are fulfilled with respect to the Office for Students, the UK Visas and Immigration (UKVI), the Higher Education Statistics Agency and other statutory bodies. The Board monitors all regulatory return to ensure deadlines are met. The Audit and Risk Committee monitors risks around non-compliance and engages specialists to provide an independent opinion on compliance and to help mitigate risk. In 2023/24, the University has engaged specialists to assist with UKVI compliance and to assist with the application for indefinite Taught Degree Awarding Powers from the OfS in 2024.

4) Public health/pandemic risk

Whilst all Covid-19 restrictions have been lifted, the University remains aware of the business continuity risk from any resurgence of Covid-19 or new pandemics. The University has returned to face-to-face delivery but maintains the ability to flip the delivery mode online should any restrictions be reintroduced in future. At the date of this report, business interruption in 2023/24 from Covid-19 is considered low, but the University remains vigilant given the high proportion of non-UK students whose ability to travel could be impacted by a resurgence of Covid-19 or a new pandemic.

5) Other business risks

Inflation risk – the war in Ukraine has been the principal cause of high inflation in the UK. The Consumer Prices Index (CPI) peaked in October 2022 at 11.1% before falling to 7.9% in June 2023 as a result of Bank of England interest rate increases and supply chain pressures easing. High and persistent inflation is having a significant impact on the University's cost base, as well as eroding the disposable income of students and their sponsors. The University is actively managing its cost base, but some price increases are contractually tied to inflation indices and cannot be avoided. Energy costs have been contained through forward purchasing by The Energy Consortium (TEC) but the University's rent is RPI-linked and will increase following conclusion of the 2021 rent review. Inflationary increases in the rent are being accrued. The University awarded a 6% pay award in 2023/24 to help counter the rising cost of living and ensure the University remain competitive in a tight labour market.

Regent's University London Limited

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

Liquidity and cash flow risk – the University's cash position is considered healthy through the £22.5m cash investment by Galileo Global Education. Adequate funding is available to realise the Strategic Plan. The University generated £5.0m cash inflow from operating activities in 2022/23.

Currency exchange risk – all University income is invoiced and received in the local currency (GBP). Virtually all expenditure is also incurred within the United Kingdom and denominated in GBP. The University is exposed to a low level of exchange rate risk and therefore no risk management actions such as hedging are undertaken.

Credit risk – the University invoices students termly and all students must either pay the fees due or enter a payment plan before enrolling. These processes help to reduce the risk of non-payment. Bad debt costs in 2022/23 were lower than expectations at £0.1m. Budgeted bad debt risk is 1% of tuition fees. This will be kept under review as the University transitions from termly fee to annual fee commitments from September 2023.

Brexit risk – Brexit is anticipated to provide more opportunity than risk to the University as noted above. The University's supply chain for goods is not significantly exposed to the EU. However, the University is exposed in terms of operational risk due to a difficult labour market for cleaning and catering staff. This has been exacerbated by the impact of Covid-19 and a move of staff away from the hospitality sector. The University has mitigated risk in this area by paying the London Living Wage to all staff working through outsourced contracts and there has been no interruption or diminution of service levels in the period. The lack of a coherent approach to international student numbers by the current UK Government and a General Election in 2024 makes predicting the risk of a change in the Home Office's approach to student visas difficult. The University continues to monitor this situation both directly and through Universities UK.

Review of effectiveness

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

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

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



Nicholas Whitaker
Chair of the Board
23 November 2023

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 'university')

- give a true and fair view of the state of the university's affairs as at 30 June 2023 and of its income and expenditure, gains and losses and changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income and expenditure;
- the statement of changes in equity;
- the balance sheet;
- the statement of cash flows;
- the principal accounting policies;
- the related notes 1 to 20;

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We considered the nature of the 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 the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the university's business sector.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation, the Office for Students "Regulatory Advice 9: Accounts Direction"; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the university's ability to operate or to avoid a material penalty. These include the Conditions of Registration with the Office for Students.

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

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

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

- Revenue recognition, specifically with respect to valuation and allocation of deferred revenue and accuracy of manual adjustments to revenue as this could be susceptible to manipulation. We performed substantive testing of a sample of revenue adjustments and deferred income by agreeing to the cash received, invoice raised and student record details and enrolment status.

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 and external real estate specialists concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with the office for students (OfS).

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

In our opinion, in all material respects:

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

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 by the university, or returns adequate for our audit have not been received from branches not visited by us; or
- the university 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

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

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the university's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the university's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the university and the university's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michelle Hopton,
For and on behalf of Deloitte LLP
Senior statutory Auditor
Bristol, United Kingdom
28 November 2023

Regent's University London Limited
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
for the year ended 30 June 2023

	<i>Notes</i>	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Income			
Tuition fees	1	39,194	33,650
Other income	2	7,280	4,723
Investment income	3	476	25
Total Income		<u>46,950</u>	<u>38,398</u>
Expenditure			
Staff costs	4	18,685	17,230
Other operating expenses	6	24,733	21,840
Depreciation	9	2,030	2,030
Interest and other finance costs	5	(3,006)	(1,397)
Total Expenditure		<u>42,442</u>	<u>39,703</u>
Profit/(loss) before tax		4,508	(1,305)
Tax (charge)/credit	7	(716)	667
Profit/(loss) for the period		<u>3,792</u>	<u>(638)</u>
Represented by:			
Unrestricted comprehensive income/(expenditure) for the year		<u>3,792</u>	<u>(638)</u>

All items of income and expenditure relate to continuing activities.

The accompanying accounting policies and notes 1 to 20 form an integral part of these financial statements.

Regent's University London Limited

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2023

	Share Capital	Income and expenditure account	Total
	£000	Unrestricted £000	£000
Balance at 30 June 2021	22,500	2,424	24,924
Total comprehensive expenditure for the year	-	(638)	(638)
Balance at 30 June 2022	<u>22,500</u>	<u>1,786</u>	<u>24,286</u>
Total comprehensive income for the year			
Attributable to parent	-	3,527	3,527
Attributable to non-controlling interests	-	265	265
	<u>-</u>	<u>3,792</u>	<u>3,792</u>
Balance at 30 June 2023	<u><u>22,500</u></u>	<u><u>5,578</u></u>	<u><u>28,078</u></u>

The accompanying accounting policies and notes 1 to 20 form an integral part of these financial statements.

Regent's University London Limited

BALANCE SHEET

As at 30 June 2023

	Notes	30 June 2023 £000	30 June 2022 £000
Fixed Assets			
Intangible assets and goodwill	8	925	682
Tangible assets	9	9,817	9,409
		<u>10,742</u>	<u>10,091</u>
Current Assets			
Stock		66	129
Debtors	10	3,392	4,255
Cash at bank and in hand		25,684	23,363
		<u>29,142</u>	<u>27,747</u>
Current Liabilities			
Creditors: amounts falling due within one year	11	(10,868)	(9,889)
		<u>18,274</u>	<u>17,858</u>
Long Term Liabilities			
Creditors: amounts falling due after one year	12	-	(3,094)
			<u></u>
Provision for Liabilities			
Other provisions	19	(938)	(569)
		<u></u>	<u></u>
TOTAL NET ASSETS		<u>28,078</u>	<u>24,286</u>
CAPITAL AND RESERVES			
Called up share capital	13	22,500	22,500
Unrestricted reserves			
Income and expenditure reserve		5,578	1,786
		<u></u>	<u></u>
TOTAL SHAREHOLDERS' FUNDS		<u>28,078</u>	<u>24,286</u>

The financial statements on pages 1 to 44 were approved by the Board on 23 November 2023 and signed on its behalf by



Nicholas Whitaker
Director



Professor Geoff Smith
Director

Company number 12734671

The accompanying accounting policies and notes 1 to 20 form an integral part of these financial statements.

Regent's University London Limited

STATEMENT OF CASH FLOWS

for the year ended 30 June 2023

	Notes	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Cash flow from operating activities			
Profit/(loss) for the year		3,792	(638)
Adjustment for non-cash items			
Depreciation	9	2,030	2,030
Amortisation of intangibles	8	379	469
Decrease/(increase) in stock		63	(67)
Decrease(increase) in debtors	10	863	(556)
Increase in creditors due within one year	11	976	2,457
Increase/(decrease) in provisions	19	369	(380)
Deferred consideration movement	12	(3,011)	(1,405)
Adjustment for investing or financing activities			
Investment income	3	(476)	(25)
Interest charged on finance leases	5	5	8
Net cash from operating activities		4,990	1,893
Cash flow from investing activities			
Payments to acquire tangible fixed assets	9	(2,438)	(2,721)
Payments to acquire intangible fixed assets	8	(622)	(150)
Capital element of finance lease repayments	11/12	(80)	(77)
Interest received	3	476	25
Net Cash used in investing activities		(2,664)	(2,923)
Cash flow from financing activities			
Interest paid on finance leases	5	(5)	(8)
Net Cash used in financing activities		(5)	(8)
Increase/(decrease) in cash and cash equivalents in the year		2,321	(1,038)
Cash and cash equivalents at beginning of the year		23,363	24,401
Cash and cash equivalents at end of the year		25,684	23,363
Cash and cash equivalents comprise:			
Cash at bank and in hand		25,684	23,363
		25,684	23,363

The accompanying accounting policies and notes 1 to 20 form an integral part of these financial statements.

Regent's University London Limited

PRINCIPAL ACCOUNTING POLICIES

for the year ended 30 June 2023

Basis of preparation

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

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

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

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

Income recognition

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

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

Income from Accommodation, Meal plan, Catering and 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 year ended 30 June 2023

Intangible Fixed Assets and Amortisation

Intangible fixed assets represent:

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

Computer software which comprises student records system and other software.

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

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

Tangible Fixed Assets and Depreciation

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

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

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

Stock

Stocks are stated at the lower of historical cost based on the cost of purchase on a first in, first out basis and estimated selling price less costs to sell, which is equivalent to the net realisable value.

Pensions

The company contributes a defined amount to specified personal policies taken out by eligible employees. Contributions are charged as incurred.

Foreign currencies

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

Regent's University London Limited

PRINCIPAL ACCOUNTING POLICIES

for the year ended 30 June 2023

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.

Financial Instruments are initially measured at cost or, where appropriate, at fair value measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Subsequent measurement is at amortised cost, except where the instrument is measured at fair value through profit and loss, in which case the instrument is revalued annually using an appropriate revaluation technique.

Operating leases

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

Finance leases

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

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

Holiday pay accrual

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

Regent's University London Limited

PRINCIPAL ACCOUNTING POLICIES

for the year ended 30 June 2023

Critical Judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the University's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- Deferred Tax asset: (see note 7)

Deferred tax asset is recognised for tax losses carried forward on the basis that it is probable that the University will have sufficient taxable profits in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

- Provisions: (see note 19)

The University is in the process of a rent review with the Crown Estate. The review process is complex as the campus is a unique property located in a Royal Park in central London providing few, if any, comparable market rental figures. The rent review point is March 2021 which adds further complexity as the market was significantly impacted by Covid-19. The University appointed professional advisors to lead the negotiation with the Crown Estate. The provision of £0.9m in Note 19 has been calculated with reference to the range of potential outcomes and the University's professional advisors estimate of the likelihood of these outcomes. The University's professional advisors have based their estimate on key assumptions including the floor area of the campus, market rental figures and other industry standard metrics. The rent review process is not expected to be concluded until spring/summer 2024.

The rent contract has a maximum increase/decrease of 20% which could result a best outcome of £3,509,612 (a decrease of £1,314,684) or a worst outcome of £5,264,418 (an increase of £440,122) for rent for 2022/23.

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

I(a). Tuition Fee Income

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Tuition and registration fees	39,194	33,650
	<u>39,194</u>	<u>33,650</u>

I(b). Sources of Tuition Fee Income

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Fee income for taught awards	37,320	32,026
Fee income for research awards	124	172
Fee income from non-qualifying courses	1,750	1,452
	<u>39,194</u>	<u>33,650</u>

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

2. Other Income

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Residences & Catering	3,622	1,991
Rental and Room Hire	11	4
Car Park	53	52
Conferencing	3,152	2,480
Donations	-	18
Accreditation income	187	79
Other	255	99
	<u>7,280</u>	<u>4,723</u>

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

3. Investment Income

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Bank interest receivable	476	25
	<u>476</u>	<u>25</u>

4. Staff Costs

	Year ended 30 June 2023 No.	Year ended 30 June 2022 No.
The monthly average number of persons (excluding independent Directors) employed during the period was:		
Management and administration	188	169
Academic – Full time and Fractional	113	127
Academic – Visiting Lecturers	37	32
Total average full time equivalent	<u>338</u>	<u>328</u>

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Staff costs for the above persons:		
Wages and salaries	15,656	14,443
Social security costs	1,630	1,485
Pension costs	1,169	1,091
Other benefits	168	155
Apprenticeship levy	62	56
	<u>18,685</u>	<u>17,230</u>

The above includes £95,571 (2022: £37,929) costs for redundancy.

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

4. Staff Costs (continued)

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Key Management Personnel remuneration:		
Directors' remuneration	277	266
VCET remuneration *	804	936
	<u>1,081</u>	<u>1,202</u>

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

There were seven (2022: Eight) Key Management Personnel remunerated in the year.

There were two independent non-executive Directors with combined remuneration of £50,000 (2022: £50,000).

The total amount payable for the year ended 30 June 2023 to the highest paid Director in his capacity as Vice-Chancellor & CEO was £277,000 (2022: £266,000). This included salary of £192,000 (2022: £185,000), bonus of £67,000 (2022: £65,000), pension contributions of £5,000 (2022: £nil) and payments in lieu of pension contributions of £13,000 (2022: £16,000). The Vice-Chancellor & CEO's basic salary is 5.1 (2022: 5.0) times the median pay of all staff and the total remuneration is 7.2 (2022: 7.1) times the median total remuneration of all staff calculated on a full-time equivalent basis.

No severance payments were made to Key Management Personnel in the year ended 30 June 2023. In year ended 30 June 2022, payments amounting to £107,500 were made to one Key Management Personnel which included pay in lieu of notice, ex-gratia and severance pay elements.

	Year ended 30 June 2023 No.	Year ended 30 June 2022 No.
The number of employees with annual remuneration excluding pension costs of £100,000 or more during the period for Regent's University London were:		

£110,000 – £114,999	-	1
£120,000 – £124,999	1	1
£130,000 – £134,999	1	1
£135,000 – £139,999	1	-
£150,000 – £154,999	1	1
£185,000 – £189,999	-	1
£190,000 – £194,999	1	-
	<u>5</u>	<u>5</u>

Pension costs relating to 5 (2022: 5) employees earning more than £100,000 during the year were £61,096 (2022: £47,596) in the year ended 30 June 2023. One Director received payment amounting to £4,943 into the defined contribution pension scheme in the year ended 30 June 2023 (2022: £nil).

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

4. Staff Costs (continued)

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

5. Interest and other finance costs

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Finance lease charges	5	8
Deferred consideration movement (*)	(3,011)	(1,405)
	<u>(3,006)</u>	<u>(1,397)</u>

* - In year ended 30 June 2023, this relates to adjustment on write off (2022: revaluation to fair value) of the future consideration for acquisition payable to the Inner Circle Educational Trust.

6. Other operating expenses

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Academic departments	961	434
Academic support	886	953
Student services	2,748	2,349
Governance	143	81
Central services	5,778	3,922
Estates	10,328	9,853
ITS and MIS	1,135	1,439
Bad debts	103	396
Conferencing	1,850	1,455
Amortisation (as per note 8)	379	469
Bursaries and scholarships	222	489
Donation to charity	200	-
	<u>24,733</u>	<u>21,840</u>

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

6. Other operating expenses (continued)

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Other operating expenses include:		
Operating lease rental – land and buildings	4,824	4,494
Auditor's remuneration (including VAT)		
- Auditing of the financial statements – Current year	86	82
– Additional prior year	10	20
- Audit-related assurance services – US loans	-	5
- Irrecoverable VAT on auditor's remuneration	19	21
Amortisation	379	469
Exchange loss	10	11
	<hr/> <hr/>	<hr/> <hr/>

7. Tax on profit/(loss)

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Current taxation:		
UK corporation tax on profits/(losses) for the year	114	(331)
Deferred taxation:		
Origination and reversal of timing differences	602	(336)
	<hr/> <hr/>	<hr/> <hr/>

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

7. Tax on profit/(loss) (continued)

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Provision for deferred tax:		
Fixed asset timing differences		
- Net fixed asset timing differences	216	171
Short term timing differences		
- Pension contributions	(11)	-
Losses and other deductions		
- Unused losses	397	(507)
	<u>602</u>	<u>(336)</u>

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

Factors affecting tax charge for the period:

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

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Profit/(loss) before tax	4,508	(1,305)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 20.5% (2021: 19%)	924	(248)
Effects of:		
Fixed asset differences	229	176
Expenses not deductible for tax purposes	6	(84)
Adjustments to tax charge in respect of previous periods	114	(198)
Adjustments to tax charge in respect of previous periods – deferred tax	(59)	51
Remeasurement of deferred tax for changes in tax rates	119	(97)
Income not taxable for tax purposes	(617)	(267)
Tax on profit/(loss)	<u>716</u>	<u>(667)</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 profit for the year ended 30 June 2023 would be additional corporation tax charge of £203,000 (2022: tax gain £78,000).

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

8. Intangible Assets and Goodwill

	Computer software £000	Goodwill £000	Total £000
Cost			
01 July 2022	365	930	1,295
Additions	622	-	622
30 June 2023	987	930	1,917
Accumulated Amortisation			
01 July 2022	71	542	613
Charged in the period	69	310	379
30 June 2023	140	852	992
Net book value			
30 June 2023	847	78	925
30 June 2022	294	388	682

9. Tangible Assets

	Short leasehold improvements £000	Computer equipment £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost					
1 July 2022	9,778	2,118	117	935	12,948
Additions	1,204	529	557	148	2,438
30 June 2023	10,982	2,647	674	1,083	15,386
Accumulated Depreciation					
1 July 2022	2,167	938	44	390	3,539
Charged in the year	1,259	534	44	193	2,030
30 June 2023	3,426	1,472	88	583	5,569
Net book value					
30 June 2023	7,556	1,175	586	500	9,817
30 June 2022	7,611	1,180	73	545	9,409

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

10. Debtors

	30 June 2023 £000	30 June 2022 £000
Trade debtors	1,425	1,372
Other taxation (*)	72	788
Other debtors	95	196
Prepayments and accrued income	1,800	1,899
	<u>3,392</u>	<u>4,255</u>

(*) – All deferred tax assets amounting to £171,000 are expected to reverse in the following financial year.

11. Creditors: Amounts falling due within one year

	30 June 2023 £000	30 June 2022 £000
Trade creditors	695	433
Other taxation and social security costs	537	703
Other creditors	806	942
Obligations under finance lease contracts	83	80
Deferred income	5,689	4,466
Accruals	3,058	3,265
	<u>10,868</u>	<u>9,889</u>

The obligations under finance lease contracts relate to printers included under asset class- Fixtures and fittings with a net carrying value at 30 June 2023 of £79,576 (2022: £159,151).

12. Creditors: Amounts falling due after one year

	30 June 2023 £000	30 June 2022 £000
Due 12–24 months:		
Obligations under finance lease contracts	-	83
Due 24–60 months:		
Obligations under finance lease contracts	-	-
Deferred contingent consideration for acquisition	-	3,011
	<u>-</u>	<u>3,094</u>

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

13. Called up Share Capital

	30 June 2023 £000	30 June 2022 £000
Authorised, allotted, called up and fully paid: 22,500,000 ordinary shares of £1 each	22,500	22,500

	30 June 2023 Number	30 June 2022 Number
Ordinary shares	22,500,000	22,500,000

14. Commitments and Contingent Liabilities

At 30 June 2023 the University had minimum lease payments under non-cancellable leases as set out below:

	30 June 2023 £000	30 June 2022 £000
Operating lease commitments relating to land and buildings:		
Not later than 1 year	3,829	3,829
Later than 1 year and not later than 5 years	15,317	15,317
Later than 5 years	88,713	92,542
Total	107,859	111,688

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

The Operating lease rental – land and buildings expense in the year was £4,824,000 (2022: £4,494,000).

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

The Finance lease charges in the year were £4,670 (2022: £7,682).

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

14. Commitments and Contingent Liabilities (continued)

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

At 30 June 2023, the University had capital commitments amounting £771,000 relating to Leasehold improvements, Computer equipment, Catering equipment and Computer software.

15. Financial instruments

	30 June 2023 £000	30 June 2022 £000
Financial assets at fair value through profit or loss:		
Fixed asset investments	-	-
	=====	=====
Financial assets that are debt instruments measured at amortised cost:		
Trade debtors	1,425	1,372
Amounts due from subsidiary undertaking	-	-
Other debtors	94	196
Cash at bank and in hand	25,684	23,363
	=====	=====
	27,203	24,931
	=====	=====
Financial liabilities that are debt instruments measured at amortised cost:		
Trade creditors	695	433
Other creditors	806	942
Obligations under finance lease contracts	83	163
Accruals	3,039	3,265
Deferred contingent consideration for acquisition	-	3,011
	=====	=====
	4,623	7,814
	=====	=====

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

16. Related party transactions

During the year management fees amounting to £735,266 (2022: £442,188) and IT Recharges amounting to £84,978 (2022: £60,096) were charged by Galileo Global Corporate Services SAS and Student recruitment staff costs amounting to £28,606 were charged by Instituto Marangoni Mumbai Training Centre Private Limited.

During the year, accreditation fees amounting to £142,211 (2022: £136,600) were charged to Nuova Academia Sri and £44,520 (2022: £nil) were charged to Macromedia GmbH, Tuition fees amounting to £199,200 (2022: £37,520) were charged to Macromedia GmbH, £57,944 (2022: £nil) to ESGCV SAS and £3,320 to HETIC SAS, LanguageCert exam vouchers and REPT certificates amounting to £12,465 (2022: £4,655) were charged to Istituto Marangoni Limited, payroll cost recharge amounting to £78,875 (2022: £nil) and Finance conference charge amounting to £15,619 (2022:£nil) were charged to Galileo Global Corporate Services SAS, Online lecture and Taster week charge amounting to £17,332 (£nil) were charged to Nuova Academia Sri and payments amounting £nil (2022: £11,565) were made on behalf of New Cavendish Holding Limited. All these companies are part of the Galileo Global Education Operations group.

As at 30 June 2023, £nil was receivable from Nuova Academia Sri (2022: £136,600), £11,565 (2022: £11,565) was receivable from New Cavendish Holding Limited, £36,384 (2022: £nil) was receivable from Galileo Global Corporate Services SAS, £4,810 (£nil) was receivable from Istituto Marangoni Limited and £83,553 was payable to Galileo Global Corporate Services SAS.

17. Pensions

The University contributes a defined amount to specified personal policies taken out by eligible employees. Contributions are charged as incurred. One Director received contributions to the pension scheme for the year ended 30 June 2023 amounting to £4,943 (2022: £nil). There were outstanding contributions in relation to the University amounting to £135,094 (2022: £121,722) as at the balance sheet date. Pension costs during the period were £1,169,000 (2022: £1,091,000).

18. Reconciliation of net funds

	01 July 2022 £000	Cashflows £000	30 June 2023 £000
Cash at bank and in hand	23,363	2,321	25,684
Obligations under finance leases	(163)	80	(83)
Net funds/(debt)	23,200	2,401	25,601

Regent's University London Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

19. Other provisions

	30 June 2023	30 June 2022
	£000	£000
Provision for Rent Increase	938	569
	<u>938</u>	<u>569</u>

The University is in the process of a rent review with the Crown Estate. The provision for Rent increase has been calculated with reference to the range of potential outcomes and the University's professional advisors estimate of the likelihood of these outcomes. The rent review process is not expected to be concluded until early 2024.

20. Ultimate parent undertaking and controlling party

The company's parent company is Galileo Global Education Operations and the ultimate controlling party is Galileo Global Education Strategy. Galileo Global Education Strategy is owned by a consortium of long-term institutional investors, including Canada Pension Plan Investment Board ('CPPInvestments'), 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 Strategy, a private company limited by shares, whose registered office is 41 Rue Saint-Sébastien, Paris 75011, France. Copies of these financial statements are available to the public from its registered office.