



# Annual Report and Accounts 2014/15

Founded over 130 years ago as the Institute of Bankers, ***ifs*** *University College* is a registered charity incorporated by Royal Charter. It is a leading provider of financial education to professionals the world over and to consumers in the UK, and has a mission to promote better understanding and confidence in finance for all people. Its provision includes formal qualifications from GCSE level through to Master's degree level and continuing professional development (CPD) through executive education programmes and professional body membership.

# Report of the Board of Governors

*ifs University College* provides a wide range of qualifications in banking and finance to support those who already work or aspire to work within financial services across the globe.

This year it has continued to work very closely with corporates and industry bodies and other stakeholders to develop qualifications which meet the rapidly evolving needs of the sector.

To coincide with the pension reforms, it launched a new qualification for those seeking to provide advice on pension transfers. A new Diploma in Retail Banking Conduct of Business meets the needs of those who manage, or seek to manage, customer-facing teams within retail banking. The Certificate for Automotive Finance Specialists, which has been developed in partnership with the Finance and Leasing Association, will support the professional development of those seeking a career in this field.

In order to build further capacity in the delivery of financial education within schools, it launched a new teaching qualification, the Postgraduate Certificate in Teaching Financial Capability, the only qualification of its kind in the UK. In common with many other qualifications provided by *ifs University College*, this Certificate is delivered through distance learning, supported by face-to-face workshops.

Members of the academic community at *ifs University College* bring a passion for pedagogy and significant practical experience. This ensures that all its programmes offer a distinctive blend of rigour and relevance and that they equip students for success in the workplace – whether they are studying for a full-time undergraduate degree at the campus in Lovat Lane or for one of its specialist qualifications.

The aim of *ifs University College* is to provide an outstanding student experience to complement the learning journey. Regular networking events with our many members and alumni and the Future Self mentoring scheme are important components. This year it has launched a website dedicated to providing advice and guidance to students between the ages of 14-21 who may be considering working in financial services.

*ifs University College*, with its unique breadth of qualifications, plays an important role in supporting the development of the financial services industry.

The new strategy, developed by the recently appointed Principal and the senior management of *ifs University College*, reinforces its 135-year-old mission to provide outstanding education and focuses on the themes of partnerships, international provision and e-learning. These will ensure that *ifs University College* is best positioned to meet the ever evolving needs of industry and will set the organisation on a firm footing for the future.

# Report of the Board of Governors

## Faculty of Banking, Finance and Regulation & Faculty of Enterprise, Accountancy and Economics

### Organisational development

In November 2014 the Quality Assurance Agency for Higher Education (QAA) undertook a scheduled review of *ifs University College's* higher education provision. The review focused on academic standards, learning opportunities, student information and enhancement activity. The QAA's report, issued in February 2015, concluded that *ifs University College* met UK expectations in all four judgement areas. The reviewers made four recommendations for improvement, which were implemented by end-August 2015, and highlighted the provision for student engagement with the financial services sector as an area of particular good practice.

It was confirmed that, as an alternative provider with taught degree-awarding powers, *ifs University College* would not be subject to on going student number control. *ifs University College's* status of holding institutional-specific course designation for Student Loan Company funding was affirmed.

The Office of Qualifications and Examinations Regulation (Ofqual) undertook a routine audit of *ifs University College* in April. The formal report of the audit findings confirmed that Ofqual found no examples of non-compliance and had no concerns regarding its processes and procedures.

### Recruitment

Against a challenging recruitment environment, a new cohort of full-time undergraduate students began study in September 2014, with student numbers evenly spread across the three degree programmes offered: BSc (Hons) in Banking Practice & Management; BSc (Hons) in Finance & Accounting for Financial Services; and BSc (Hons) in Finance, Investment & Risk. The decision was taken to defer launch of the validated undergraduate degree programmes in Politics, Finance & Economics and Business, Enterprise & Finance.

The MSc in Banking Practice and Management continued to attract high calibre entrants, many employer-sponsored. A new cohort commenced study, made up of senior financial services professionals from Africa, Asia and Europe as well as the UK. Many of the students were also alumni of *ifs University College*. The programme, which is delivered exclusively online, was commended in a research paper

published jointly by the Higher Education Academy (HEA) and the QAA for its promotion of independent learning.

*ifs University College* continues to look at broader sources of higher education student recruitment, including the "Summer University" programme held at the Lovat Lane campus, which in its second year doubled in size to accommodate more than 100 A-level students.

The value of a mixed programme portfolio was emphasised by the variance in registration trends within the corporate market. Part-time higher education student registrations continued to reduce but registrations for Certificate in Mortgage Advice & Practice (CeMAP®) and financial advice qualifications were ahead of expectations. Product and market development activity was maintained with the objective of supporting growth, including an additional registration session implemented for the trade qualification portfolio.

### Programme development

*ifs University College* continued to expand and enhance its suite of specialist and regulatory qualifications with the launch of the Award in Pension Transfers (AwPETR), enabling holders of DipFA® to meet regulatory requirements for provision of pension transfer advice; the Certificate for Automotive Finance Specialists (CertAutoFS); the Certificate in Consumer Debt Collection (CertDC), a qualification to support capability and professionalism beyond the financial services sector; and the Certificate in Supervising in a Regulated Environment (CeSRE).

A new post graduate programme was launched to expand *ifs University College's* offering for the development of teaching skills. The Postgraduate Certificate in Teaching Financial Capability (PGCTFC) is a specialist qualification that supports teachers delivering *ifs University College's* financial capability programmes in schools and colleges.

### Academic and sector activity

The annual Graduation Ceremony in London's Guildhall once again brought together *ifs University College's* student community, faculty and corporate relationships to celebrate students' achievements and successful completions of *ifs University College* full-time and part-time qualifications.

*ifs University College's* annual Higher Education Conference took place in June and brought together a range of industry experts and engaging speakers. The theme of this year's event, "Inspiring through Innovation", examined the industry from many different perspectives and included presentations

# Report of the Board of Governors

on the challenges of launching a new internet-based bank, the challenges faced by credit unions and a look at the future of banking.

A “Teaching Innovation Group” was established to support academic innovation in learning materials development, lecturing activity and assessment approaches.

*ifs University College* continued to consolidate relationships with its stakeholders in the educational and regulatory sectors. A number of *ifs University College* staff made significant contributions to sector working groups addressing student protection, the quality assurance framework, alternative provider regulation and student information provision. *ifs University College* staff were also appointed to positions on the Office of the Independent Adjudicator’s (OIA) Higher Education Advisory Panel, the Higher Education Funding Council for England’s (HEFCE) Quality Assurance and Regulation Strategic Advisory Committee and the International Accounting Education Standards Board (IAESB).

## Student interest

An increased focus on student engagement activities was enabled through the appointment of a Student Engagement Manager and further investment in employability and career support, including the launch of web-based resources. A Student Engagement Week focused on employability issues provided students with valuable access to career support professionals and employer recruitment representatives.

The Student Charter was revised and relaunched to emphasise the partnership approach to its development and objectives. A framework to support students seeking to establish clubs and societies was implemented and was effective in promoting and supporting activity.

A further cohort of Student Representatives undertook the ‘Student Representative & Advocacy’ module and the ‘Student Ambassador’ and ‘Future Self’ mentor programmes, which link full-time students with those already in employment, were expanded.

The decision was taken not to participate in the 2015 National Student Survey but, given a change to the threshold requirement for student responses, *ifs University College* will participate in the 2016 survey.

*ifs University College* renewed its membership of the Office of the Independent Adjudicator for Higher Education (OIA) with no eligible complaints having been submitted to the OIA during the year.

## Financial Capability

The last decade has seen *ifs University College* financial capability qualifications impact the lives of in excess of 200,000 young people throughout the UK. Over 1,000 schools have supported this valuable teaching and contributed to a generation of financially confident and competent citizens.

The GCSE, AS and A-level equivalent qualifications are fully funded, appear in appropriate performance tables, are included in the Progress 8 measures, recognised as effective use of Pupil Premium funding and help to close the attainment gap amongst vulnerable young people. Progression to Higher Education is supported by the AS and A-level qualifications which carry the maximum UCAS points.

2014 saw the culmination of many years of lobbying when financial education became a statutory part of the National Curriculum in schools. Despite this landmark achievement, it is evident that only a small percentage of schools are delivering this important subject.

During 2014, *ifs University College* commissioned a new research project to better understand the financial behaviour, experiences and attitudes of the young people it educates. The first report revealed a concerning, if not unexpected picture of financial literacy among UK teenagers ahead of proposed changes to the National Curriculum, which saw the formal introduction of personal financial education through Citizenship and Mathematics.

The second iteration of the research was completed in spring 2015 by research agency ICM among 2,000 teenagers in the UK aged between 15 and 18 and reveals yet another concerning picture of financial literacy across the UK.

### Key findings:

- 59 per cent of students in compulsory education do not receive any form of structured financial education;
- teenagers are more likely to gamble than plan a budget;
- 25 per cent have received fraudulent emails or texts, leaving them vulnerable to the effects of financial crime.

Clearly, there is a great deal of work to be done in order to ensure that impactful financial education is delivered in schools and colleges.

The impact of financial education is underpinned by the effectiveness of the teachers delivering it. To support this, the first cohort of teachers has commenced the *ifs* PGCTFC.

# Report of the Board of Governors

It is unique in the field of continuing professional development for teachers. It is a structured, recognised and accredited programme of study that gives participants the confidence in the subject knowledge, the skills and competency to deliver personal finance education across all the Key Stages and equivalent Lifelong Learning provision.

The PGCTFC enables individual teachers and their school/college to enhance their professional practice and demonstrate their commitment to enhancing the financial literacy of their students.

The Student Investor challenge is a free-to-enter competition, run by *ifs University College*. It provides teams of up to four students aged between 14-19 with a virtual £100,000 to trade shares, stocks, futures and assets and the opportunity to experience the dynamic world of share dealing.

This year's challenge attracted more than 10,000 teams and 40,000 students where the top 50 teams' investments totalled over £7m in just a four month period.

A team of four students from Malmesbury School in Wiltshire, the "Withdrawal Symptoms" team, enjoyed an all-expenses-paid educational trip to New York as well as securing £2,000 for their school.

Triumphing in a tense final against eight other teams from across the UK, the four students emerged as victors in a simulated live-trading challenge where they responded to market fluctuations caused by recent global events, before delivering a highly engaging presentation on socially responsible investing to a panel of financial experts.

The Summer University programme took place in July and in its second year attracted over 100 AS-level students from across the UK. Due to high demand, two sessions took place, both over 4 days and again held at the Lovat Lane Campus in the City of London.

The students attended lectures, heard from leading industry figures on the often complex and competitive world of financial services and met with graduate recruiters from organisations across the banking, accountancy and finance disciplines. Many students commented that the experience has confirmed their desire and commitment to a career in the financial services industry.

*ifs University College* will continue to develop the financial capability programmes in order to ensure that all children and young people are given the financial education they require for a secure future where financial resilience is crucial.

## **ifs ProShare**

*ifs ProShare* is the voice of the employee share ownership industry in the UK. It liaises with and lobbies government, regulators, industry bodies and the media to protect, promote and enhance the industry. It also provides a range of training and professional development opportunities to help ensure high standards are maintained throughout the industry.

Lobbying activity has got off to a good start with the new Conservative government in place and meetings held with both HM Treasury and HM Revenue & Customs, with more planned for the next few months. We expect to make headway on a couple of important lobbying objectives during this Parliamentary term. We have a rolling programme of meetings with the new intake of MPs in order to ensure that employee share plans continue to enjoy cross-party support and a good level of understanding and appreciation at Westminster.

A consistently high number of entries has been received for the Annual *ifs ProShare Awards* – judging takes place on 19 October – and almost 500 share plan professionals are again expected to attend the event at the prestigious Grand Connaught Rooms in Central London. Tables for the event have nearly sold out.

We are attracting new corporate members on a monthly basis (Amlin plc, Indivior plc being the most recent) and have two more high-profile memberships with leading law firms likely to be confirmed in the next month.

The Annual *ifs ProShare* Conference, due to be held on Thursday 8 October, looks set to attract around 250 delegates and has secured sponsorship from a record-breaking eleven firms in the share plans industry. Keynote speeches will be delivered by Dr Paul Pester, CEO of TSB Bank plc and Ben Hunt-Davies MBE, Olympic gold medallist, business consultant and motivational speaker. Twenty-nine breakout sessions are offered, with case studies from many corporates including BT, Henderson Global Investors, Astrazeneca, Barclays, BAE Systems, King Digital Entertainment, Centrica, National Grid, SAP America, Auto Trader, Marks & Spencer and Merlin Entertainments.

## **Alumni, professional services and membership**

Over the past year *ifs University College* has continued to provide professional development opportunities to its students and alumni through the Institute of Financial Services.

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The ever popular programme of networking events and prestige lectures was expanded upon and enhanced in 2015. Just under 100 events were held, attended by nearly 3000 members and alumni. Highlights of this year's programme included Prestige Lectures from Dr Paul Pester, Chief Executive of TSB, and Nicola Horlick, CEO of Money&Co; and a Future Leaders networking event addressed by Anne Murphy, the Head of Odgers Berndtson's UK Financial Services Practice.

The organisation's industry journal, *Financial World*, provides in-depth analysis on some of the industry's most high profile issues and developments. Its relaunch last year, moving from ten to six issues, has allowed the journal to broaden its scope and publish more ambitious articles from a wider range of leading academics and industry experts. Highlights since its relaunch include Martin Wheatley discussing how to tackle the abuse of financial benchmarking and features on challenger banks, conduct costs and pension reforms.

Other benefits of membership have also continued to enjoy strong usage, with CPD resources such as the online logging tool and the information resources and academic journals available via *ifs KnowledgeBank* being accessed regularly.

To complement the existing services and benefits, a new careers resource was launched in the spring of 2015 in the form of a specialised online jobs board. The board gives members access to targeted industry vacancies and enables them to post their CVs, which are then highlighted to potential employers. Recruiters can advertise their vacancies on the site and view CVs with confidence that they are accessing a pool of appropriately educated, dedicated and motivated professionals.

In its role as an FCA Accredited Body, the Institute has continued to verify the qualifications and CPD activities of retail investment advisers and issue the Statements of Professional Standing (SPS) they are required to possess in order to practise. For the third year in succession the required external audit of these verification services was completed successfully and the FCA has now confirmed the audit cycle will be extended from annually to every two years. Continual improvements have been made to the SPS processes over the year and feedback from those using the service has been overwhelmingly positive.

Two new initiatives were launched in the past year to broaden the community of members.

In recognition of their achievements in being the first cohort of full-time undergraduate students to complete their

degrees with *ifs University College*, the class of 2014 were awarded free lifetime membership. The need to foster a strong sense of loyalty and community among this cohort will prove increasingly important as these students progress in their careers and become both ambassadors and champions for future generations of students and members associated with *ifs University College*.

The second initiative, closely linked to *ifs University College's* remit to ensure a flow of talented individuals into the sector, is aimed at younger students who may be considering a career in banking or finance. A new free-to-join Junior Membership category was introduced at the end of 2014 aimed at teenagers aged between 14-19 with an interest in financial services. Junior membership provides opportunities to learn about the industry and the different career paths available, and insight on how they can be accessed.

The 2014/15 alumni survey once again asked former students for their views on *ifs University College* qualifications. An overwhelming majority (85 per cent) said that the qualification they had obtained enhanced their development, while an even higher 87 per cent said they actively use the knowledge they have gained in their day-to-day roles. Virtually all (94 per cent) agreed that professional qualifications are vital for raising standards across the industry.

In the coming year, *ifs University College* will be undertaking a review of its membership and alumni offering to ensure it continues to meet the needs of those working in the sector and supports the new organisational strategy currently under development.

## Sustainability agenda

*ifs University College* is progressing well with its review of all its HE qualifications to incorporate sustainability issues as they affect financial services. The Subject Leaders continue to lead the review within their discipline areas; one has completed a MOOC on Sustainability in Practice and all have presented their progress to the committee. Progress includes sustainability concepts being used in workshop activities and class discussions, links to videos and reading lists; case studies have been written on topics such as 'Responsible borrowing and lending'. Sustainability issues have been raised for consideration in formative and summative assessment, where appropriate. *ifs University College* Sustainability Committee issued a progress report in 2014 in the form of a Prezi which was emailed to all stakeholders and made available online.

# Report of the Board of Governors

The main focus for this academic year continues to be student engagement, with the student representative for sustainability helping to promote initiatives such as the Climate Week in March. Various sustainability lectures were given at the Lovat Lane Campus and a series of videos have been created to engage the whole student and academic community via the *KnowledgeBank* sustainability toolkit. The Climate Week photo competition brought stakeholders together, where students, staff and the academic community sent in photographs of the place they would like to preserve forever. Over forty entries were received and the winners were displayed on the public *ifs University College* website. The 'Big Clean Up' was the overall theme chosen for Climate Week events where staff contributed to many recycling campaigns and some joined a Beach Clean; all funds raised supported the Marine Conservation Society in 2015.

A student competition was launched to support Good Money Week; a campaign organised by UKSIF to raise awareness for sustainable, responsible and ethical finance to help people make good money choices. Students were asked to explain 'Why Sustainable Finance makes a difference'. The winners, studying part-time via blended learning, attended the Good Money Week parliamentary reception at Westminster accompanied by two *ifs University College* Sustainability Subject Leaders. This competition is being repeated in 2015.

Staff continue to record their departmental environmental impacts via the Annual Staff Sustainability Audit. One main achievement for the last twelve months was a considerable reduction in our copier usage: it went down from 1,788,503 copies in 2013 to 1,650,298 copies in 2014. Staff continue to support the Philippines School Project; unwanted stationery was donated again last year. An energy strategy was created for the refurbishment of the Canterbury premises which has resulted in low energy lighting and an intelligent building control system.

## Financial review – results for the year ended 31 July 2015

As an educational charity incorporated under Royal Charter, *ifs University College* uses all its income to advance education about financial services both for the sector and for the public at large.

*ifs University College* receives a variety of tax exemptions on its educational activities and on its investment income and gains. It is also entitled to an 80% reduction in business rates on the property occupied for its charitable purposes. The financial benefits received from these tax exemptions are all used for educational purposes.

The fees, kept as low as possible to ensure affordability and wider access, are sufficient to cover the cost of running current programmes and investing in new ones. Funding comes from a variety of sources both public and private. Many students are funded by employers. Some students studying for qualifications that are in Ofqual's Qualifications Credit Framework (QCF) have indirect access to public funding. Full-time students studying for a degree on an appropriate 'designated' course are eligible to borrow their fees from the Student Loan Company (SLC).

Total income for year of £13.67m compares with the previous period of £15.05m with a retained deficit of £1.885m compared to a prior year surplus of £0.246m. The deficit was in line with the strategic plan and largely driven by a major refurbishment project of the Canterbury premises. Out of a total refurbishment budget of £1.6m, £1.096m fell within the 2014/15 financial year and only a small part of this was added to fixed assets.

Despite a challenging environment, the overall number of students on full-time undergraduate degrees increased slightly with revenue also boosted as lower fees charged for students registering in earlier years phased out. However, demand for part-time undergraduate banking degrees reduced as customers continued to move to qualifications and training which they can complete in a shorter period of time.

Revenue from Financial Capability qualifications fell due to uncertainties generated by changes to 14–19 education in England and Wales which affected Level 3 qualifications. There was an increase in registrations for Level 2 qualifications following the launch of the Certificate in Financial Education (CeFE) and qualifications were sat by nearly 20,000 students in 400 schools.

Registrations for the Certificate in Mortgage Advice and Practice (CeMAP®) fell during 2014/15 following the Mortgage Market Review which had boosted revenue in 2013/14. New specialist qualifications were launched in 2014/15 including Consumer Debt Collection and a Diploma in Business & Commercial Banking, providing diversification and increase in revenue.

## Investments

At 31 July 2015 *ifs University College* held fixed-asset investments with a market value of £7.41m (2014 £7.99m).

The Trustees, through the Executive Committee, delegate the discretionary powers of management of *ifs University College's* fixed-asset investments to investment manager Rathbones.



# Report of the Board of Governors

The investment objective is to maximise long-term total return and is measured against an agreed target. There is no specific direction given to the investment manager regarding social, environmental and ethical considerations.

*ifs University College's* bank balances are held in cash funds managed by BlackRock, which aim to reflect London Inter-bank Bid (LIBID) seven-day rates, and a range of fixed-term deposits with Barclays.

## Reserves

*ifs University College* aims to maintain a level of reserves that would enable it to fulfil its future commitment to existing alumni and students, notwithstanding unforeseen adverse events. The target range for the appropriate quantum of reserves is currently estimated to be one year's operating cost in respect of alumni services plus between one and two years' operating expenditure relevant to the provision of its qualification services.

Current free reserves decreased from £7.623m to £5.953m in line with the strategic plan. The reduction was largely to fund the refurbishment of the Canterbury premises. This was supported by a transfer from the investment portfolio with the organisation remaining free of any borrowing. Reserves currently sit outside the target range as *ifs University College* continues to make strategic investments. The long-term strategic plan ensures *ifs University College* has a sound financial base and is well resourced to meet the challenges and opportunities it faces.

## Principal risks and uncertainties

*ifs University College* has classified the risks it has identified into strategic and operational. Strategic risks are described as those mainly in the external market and environment over which *ifs University College* has little or no control: it may be able to mitigate the impact, but is not able to control the probability of the risk occurring and the risk may have a fundamental impact on the future strategic direction of the organisation.

Over the past few years *ifs University College* has faced significant risks from external factors, mainly political, which are difficult to control, most notably in the schools market but also within higher education (HE). The HE sector continues to experience change and a degree of uncertainty in respect of the longer-term strategic position, particularly for those providers categorised 'alternative', which includes *ifs University College*.

The key principal risks that have been identified include relationships with overseas partners, particularly in the area of trade finance where there is a long standing relationship with the International Chamber of Commerce (ICC), as well as the requirement for banking staff to complete training and qualifications in a shorter period of time, affecting demand for undergraduate banking degrees.

Operational risks relate primarily to the day-to-day running of *ifs University College*. These are more likely to be within the control of the organisation itself in terms of its ability to affect the probability of the risk occurring as well as mitigating the impact.

Key operational risks have been identified, in five overarching categories, namely:

- student recruitment and retention;
- organisation and product management;
- people;
- finance and commercial;
- IT, including information risk management.

For each risk identified under these headings an estimate is made of the probability of the risk occurring and the impact on the organisation and its stakeholders if the risk did occur. Mitigating activities are documented, and the current status noted.

The Board and management continue to maintain close oversight of the risks facing *ifs University College*, pursuing mitigating actions as necessary.

## Equality and diversity policy statement

*ifs University College* is committed to creating a culture in which diversity and equality of opportunity are promoted and in which unlawful discrimination is not tolerated. *ifs University College* recognises the real educational and business benefits of having a diverse community of staff, students, members and subscribers to any services and therefore works towards building and maintaining an environment which values such diversity. To meet this commitment, *ifs University College* aims to ensure that:

- individuals are treated solely on the basis of their abilities and skills;
- nobody is discriminated against on grounds of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.
- it affords its students, members, subscribers and employees the opportunity to fulfil their potential;
- it promotes a supportive environment for staff, students and visitors.

# Report of the Board of Governors



**Alex Fraser**  
Principal



**Dr Rachel Banfield**  
Vice-Principal



**Dot Carrier**  
Director

## Reference and administrative details

**Charity name**  
*ifs University College*

**Charity number**  
297107

Incorporated in England by Royal Charter, registered number RC000719.

**Registered office**  
8th Floor  
Peninsular House  
36 Monument Street  
London  
EC3R 8LJ

## Board of Governors (Trustees)

**The Trustees as at 31 July 2015 are as follows:**

Dr Paul Fisher  
Chairman

Paul Fisher is an Executive Director of the Bank of England and Deputy Head of the Prudential Regulation Authority. He is responsible for the PRA's central and operational functions as well as the PRA's supervisory risk specialists. Paul attends the PRA Board as well as several senior management committees of the Bank of England. He joined the Bank in 1990 and has been part of the Bank's senior staff since 1995.

Paul is a visiting professor at the University of Richmond and has written extensively on economic models of the UK economy, and written or contributed to numerous articles on macroeconomic models, business cycles and exchange rates. He achieved his PhD in macroeconomic modelling at the University of Warwick in 1990, where he had worked as a full-time researcher for the previous ten years.

Alex Fraser, Principal  
Peter Bishop MSc  
Prof Moorad Choudhry MA MBA PhD *Fifs*  
FSCi FRM FInstSMM  
Wendy Chowne ACIB PG Cert (Ed) PG Dip  
Kim Cramphorn CeFA Student Representative  
Prof James Devlin BSc (Econ) PhD MCSI  
Christopher Egerton-Warburton MA (Oxford)  
Amanda Francis DSS BSc ACA  
Catharine French BA MCSI  
Simon Lloyd LLB  
David Nicholson BA ACIB  
Alastair Tyler BSc (Hons) FCIB  
Dr Carol Vielba

**The following Trustees served during the year but were not Board members when this report was signed:**

Brendan Cook MBA ACIB  
Prof Ruth Farwell BSc PhD  
Gavin Shreeve MA  
Cathy Turner BA  
Prof Geoff Whitty CBE DLit (Ed) FCT

## Audit Committee

Amanda Francis DSS BSc ACA (Chair)  
Helen Turner BSc (Econ) FCA (resigned 10 June 2015)  
Alastair Tyler BSc (Hons) FCIB  
Maria Vetrone (appointed 10 June 2015)

## Remuneration and Nominations Committee

Dr Paul Fisher (Chair)  
Prof Ruth Farwell BSc PhD  
Amanda Francis DSS BSc ACA  
Simon Lloyd LLB  
David Nicholson BA ACIB

## Academic Board

**Board members and external members of the committee are:**

Alex Fraser (Chair)  
Dr Rachel Banfield DBA MA CPFA FMAAT  
FHEA PGCHE  
Dot Carrier PGD CCI (Open)  
Wendy Chowne ACIB PG Cert (Ed) PG Dip (Ed) SEDA FHEA  
Martin Day MBA ACIB

# Report of the Board of Governors

Prof Warwick Funnell BA BCom (Hons) MCom (Hons) PhD DipEd CPA CMA  
Dr Tony Gandy BSc (Econ) FCIB  
Tim Jones BSc (Hons) MBA ACIB ADipC  
Dr Keith Pond BSc (Hons) MPhil PhD FCIB FHEA MICM  
Bob Sedgwick BSc (Econ)  
Oliver Stenning Student Representative  
Annabel Todd BSc (Hons) ACIB Student Representative  
Dr Carolina Valiente BSc (Hons) MPhil  
Dr Damian Ward  
Dr Peter Washer MA FHEA  
Suellen White BSc (Hons)  
Prof John Wilson BA (Hons) MPhil PhD

## Members of the executive team

Principal  
Alex Fraser

Vice-Principal and Head of Faculty: Enterprise, Accountancy and Economics  
Dr Rachel Banfield DBA MA CPFA FMAAT FHEA PGCHE

HR Director  
Anna Boyce BSc (Hons) FCIPD

Director of Operations and Technology  
Dot Carrier PGD CCI (Open)

Company Secretary  
Philip Cook LLB

Vice-Principal and Head of Faculty: Banking, Finance and Regulation  
Martin Day MBA ACIB

Director, Business Development  
Mark Heaton ACIB

Finance Director  
Ian Parrett FCCA

Vice-Principal and Head of Faculty: Financial Capability  
Alison Pask

Director, Professional Services and Marketing  
Chris Ray BA (Hons)

Vice Principal, Quality, Policy and Regulation  
Suellen White BSc (Hons)

## Principal advisers

### Bankers

Barclays Bank plc  
9 St George's Street  
Canterbury  
Kent  
CT1 2JX

### Solicitors

DAC Beachcroft  
100 Fetter Lane  
London  
EC4A 1BN

### External Auditor

Grant Thornton UK LLP  
Grant Thornton House  
Melton Street  
Euston Square  
London  
NW1 2EP

### Internal Auditor

Kingston City Group (KCG)  
Kingston University  
Kenry House, Kingston Hill Campus  
Kingston Hill  
Kingston Upon Thames  
KT2 7LB

### Investment manager

Rathbones Investment Management Ltd  
1 Curzon Street  
London  
W1J 5FB

Approved by the Board of Governors on 25 November 2015 and signed for and on their behalf by



Dr Paul Fisher  
Chairman  
Corporate Governance and Management



**Martin Day**  
Vice-Principal



**Alison Pask**  
Vice-Principal



**Suellen White**  
Vice-Principal

# Corporate Governance and Management

## Structure, governance and management

The governing body of *ifs University College* is the Board of Governors, which comprises the Chair, the Principal and up to 15 appointed members, including a representative from the student body and a representative of the academic community. As Governors, members of the Board of Governors have a single, overarching responsibility, which is to ensure that *ifs University College* fulfils its object as stated below. In addition, the members of the Board of Governors are the Trustees of the charity.

## Corporate governance

*ifs University College* has adopted the code of governance for the Voluntary and Community Sector published by the National Governance Hub (a partnership of organisations working to improve governance of charities and other voluntary and community organisations). The code is not mandatory but *ifs University College* has decided to adopt the code. *ifs University College* also takes into account the Guide for Members of Higher Education Bodies in the UK published by the Committee of University Chairs.

## Constitution

*ifs University College* was established in 1879 as the Institute of Bankers and has latterly used the working name Institute of Financial Services and *ifs School of Finance*. It was incorporated by Royal Charter in February 1987 and registered as a charity in June 1987. Amendments to the Charter followed in February 2000, December 2003, July 2006, May 2008 and in July 2010. These included formally changing the name from The Chartered Institute of Bankers and changes to the governance, which saw the Council replaced by a Board of Governors.

## Charter

The Charter sets out the objects and the powers of *ifs University College*. It requires *ifs University College* to establish a Board of Governors, who are the Trustees, and an Academic Board.

The object for which *ifs University College* is constituted is the advancement of knowledge of, and education in, financial services as the Board of Governors may determine from time to time and to carry out research and publish the useful results of such research for the benefit of the public.

The Trustees are cognisant of the Charity Commission guidance on public benefit and, in particular, guidance for fee-charging charities. The Trustees are satisfied with the steps they have taken in this regard.

## Board of Governors

Members of the Board of Governors include senior personnel within the financial services and educational sectors who 'donate' their expertise, experience and limited time on a voluntary basis to act as Governors.

The primary responsibility of the Board is to oversee the strategic academic and educational direction of *ifs University College* and monitor the progress through regular timely reporting, including reports from all of the key Committees and reviews of key performance indicators. The Board also oversees the management of the finances, property and all business affairs.

## Statement of Responsibilities of the Board of Governors

The Governors are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the Governors to prepare financial statements for each financial year. The Governors have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of *ifs University College* and the group, and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting for Further and Higher Education;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain *ifs University College's* and the group's transactions and disclose with reasonable accuracy at any time the financial position of *ifs University College* and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports)

# Corporate Governance and Management

Regulations 2008 and the provisions of *ifs University College's* Charter and Statutes. They are also responsible for safeguarding the assets of *ifs University College* and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on *ifs University College's* website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board meets at least four times a year and receives regular reports from management on the operational aspects of *ifs University College*, including a quarterly update against operational plan and minutes from all of the sub-committees including the Academic Boards. At least one of the meetings includes a review of the strategy and five-year plan.

Through leadership of the Board, the Chair plays a key role in the business of *ifs University College*, ensuring that *ifs University College* is well connected with its stakeholders. The Chair promotes the well-being and efficient operation of the Board, and ensures that members work together effectively and have confidence in the procedures laid down for the conduct of business. The Chair ensures that committees play a central role in the proper conduct of the Board's business by exercising delegated powers and reporting back to the Board appropriately. The Chair should not be drawn into the day-to-day executive management.

Day-to-day responsibility is delegated to the Principal leading the management team. The Principal is the academic and executive head of *ifs University College* and is responsible to the Board of Governors for academic, business and financial affairs, and for advising the Board on strategic direction.

It is management's duty to report on operational matters to the Board, including any variances to plan, and to ensure that the Board is presented with relevant information to support its debate on strategic issues.

## Governor selection and induction

Board members are selected from the financial services industry, commerce, the educational system, the securities and investment sector and public services.

When first elected to the Board, members receive a personalised induction programme, which comprises briefing sessions with the Principal. These sessions provide Governors with an insight into the workings and nature of *ifs University College* and its Board, the strategic objectives of

*ifs University College*, and their personal responsibilities as Governors.

In addition, opportunities are provided to meet other members of staff engaged in the activities of *ifs University College*, and an information pack is available for new and existing Governors. On appointment, Governors are required to complete a register of interests.

## Committees of the Board of Governors

### Academic Board

The Academic Board is the supreme academic authority of *ifs University College* and guardian of the academic integrity and quality of its higher education awards.

The membership of the Board comprises a majority of persons with academic knowledge and experience at a senior level. The Board is chaired by the Principal and is attended by all of the relevant academic heads and directors. Appointed members include no more than twelve academics with relevant qualifications and experience, one academic delivering teaching for the academic awards of *ifs University College*, two representatives of the student body, and one elected member of staff of *ifs University College* responsible for the delivery of the academic programmes who does not manage other staff engaged in such delivery. The principal functions of the Academic Board include:

- to guide the Board of Governors on educational strategy, legislation relating to educational provision, regulatory requirements affecting the award of degrees and the implications of the development of further or revised academic provision;
- to approve courses and programmes of study leading to academic awards and all significant amendments or discontinuance;
- to regulate all instruction, teaching and research;
- to prescribe the criteria, procedures and guidelines for the assurance and the quality and standards of all courses and programmes of study and research;
- to prescribe the requirements concerning all matters of academic sufficiency under which persons shall be permitted to pursue their studies.

The Academic Board meets at least four times a year and minutes of its meetings are reported to the Board of Governors.

### Audit Committee

The basic responsibility of the Audit Committee, which meets at least twice a year, is to satisfy itself as far as it can that the annual accounts follow approved accounting principles and

# Corporate Governance and Management

give an accurate account of *ifs University College's* affairs in as comprehensible a way as possible. It must satisfy itself that the external auditors have no cause for disquiet about any aspect of the accounts or of *ifs University College's* control and audit procedures. The Committee also monitors the risk management and internal control processes and provides the Board of Governors with an annual report of its work. The Audit Committee is chaired by a member of the Board of Governors, who is also a qualified accountant, and comprises at least one other Board member and one external member. It is also attended by a representative from the external auditor.

## Academic Audit Committee

The Academic Audit Committee's responsibility is to assess the effectiveness of all aspects of *ifs University College's* quality assurance systems and monitoring and reporting arrangements. It checks that these systems and arrangements are being operated as the Higher Education Academic Board and Personal Finance Board intended and may scrutinise these committees if deemed appropriate. The main business of the Academic Audit Committee is to implement internal quality audits. A five-year plan ensures academic matters are audited in a timely and consistent manner. The Academic Audit Committee is chaired by an external representative who is a Trustee of the Board of Governors and its membership includes representatives from academic-related *ifs University College* staff, members of the Academic and Personal Finance Boards and a student representative. It meets at least twice a year and submits an annual report to the Board of Governors confirming that policy and procedures established for audit have been effective in contributing to the assurance of quality, maintenance of standards and identification of areas for enhancement.

## Personal Finance Board

The Personal Finance Board is the guardian of the academic integrity and quality of the Regulated Advice, Specialist and Financial Capability awards made by *ifs University College*. It is a standing committee of the Board of Governors and exercises powers delegated to it in respect of quality and standards and compliance with the regulatory regimes. In particular, it approves all new programmes of study leading to Regulated Advice, Specialist and Financial Capability awards of *ifs University College* and all significant amendments to them, and it ensures that the arrangements for the quality assurance and enhancement of qualifications are in line with the requirements and expectations of the regulatory authorities.

The Board meets at least three times a year and minutes of its meetings are reported to the Board of Governors.

## Remuneration and Nominations Committee

The Chair of the Board of Governors chairs the Remuneration and Nominations Committee, which meets at least once a year. It is responsible for making recommendations to the Board of Governors on the appointment of Governors, the Chair of the Board, the Principal and Chairs of Committees.

The Committee determines and approves a framework and consistent policy for *ifs University College* on remuneration and pension arrangements. It is specifically responsible for setting the terms of service of the Principal and Secretary to the Board and considers, where necessary and subject to the legislation and regulations applying to charitable bodies, any remuneration for the Chairs of the Board and the Audit Committee.

Members of the Board of Governors, Academic Board, Audit Committee, Remuneration and Nominations Committee and the Management Team are listed in this report.

## Statement of internal control and risk management

The Board of Governors has overall responsibility for maintaining a sound system of internal control and risk management. This supports the achievement of *ifs University College's* aims and objectives. Such a system of internal control and risk management is designed to manage, rather than eliminate, the risks. Therefore they can only provide reasonable, and not absolute, assurance of effectiveness.

The internal financial controls include clearly documented accounting procedures and an understood delegation of authority of the Board of Governors, through the Principal, to the rest of the organisation. As part of its risk management process:

- *ifs University College* operates a comprehensive five-year strategic planning system, an annual operational plan and detailed budgets, with an annual budget approved by the Board;
- each quarter, actual results and operational performance are compared with the plan and forecasts reviewed and reported to the Board;
- the Board establishes and considers the major risks affecting the charity;

# Corporate Governance and Management

- during the year the Audit Committee reviews *ifs University College's* system of internal control and risk management in operation, considers whether the systems are appropriate and reports accordingly to the Board;
- a business continuity and risk management group meets quarterly to review significant risks, including any major incidents, and makes a report to the Audit Committee.

*ifs University College's* risk management processes have been evaluated against HEFCE's Self Assessment Checklist for Audit Committees (HEFCE, 2005, Risk management in higher education: A guide to good practice, prepared for HEFCE by PricewaterhouseCoopers).

## Disclosure of Information to Auditors

At the date of making this report each of the Governors, as set out on pages 8 and 9, confirm the following:

- So far as each Governor is aware, there is no relevant information needed by the Charity's auditors in connection with preparing their report of which the Charity's auditors are unaware; and
- Each Governor has taken all the steps that he or she ought to take as a Governor in order to make him or herself aware of any relevant information needed by the Charity's auditors in connection with preparing their report and to establish that the Charity's auditors are aware of that information.

The external auditor, Grant Thornton UK LLP, was reappointed in the year.

Approved by the Board of Governors on 25 November 2015 and signed for and on their behalf by



Dr Paul Fisher  
Chairman

# Auditor's report

## Independent Auditor's Report to the Trustees of *ifs University College*

We have audited the financial statements of *ifs University College* for the year ended 31 July 2015 which comprise the statement of principal accounting policies, consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated and *ifs University College's* balance sheet, the consolidated cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to *ifs University College's* governors, as a body, in accordance with Section 154 of the Charities Act 2011 and *ifs University College's* Charter and Statutes. Our audit work has been undertaken so that we might state to *ifs University College's* governors 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 *ifs University College* and its governors as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Responsibilities of the Board of Governors set out on pages 12 and 13, the governors are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## Opinion on financial statements

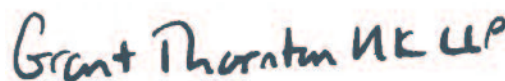
In our opinion the financial statements:

- give a true and fair view of the state of the group and *ifs University College's* affairs as at 31 July 2015, and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
United Kingdom  
27 November 2015

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.



# Statement of Principal Accounting Policies

## 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

### a) Basis of preparation

The financial statements have been prepared in accordance with the Charities Act 2011 under the historical cost convention, modified by the revaluation of investments and certain tangible assets and have been prepared in accordance with the Statement of Recommended Practice (SORP): "Accounting for Further and Higher Education 2007" and applicable UK accounting standards and guidance published by HEFCE.

### b) Basis of consolidation

The consolidated financial statements combine the financial statements of *ifs University College* and its subsidiary undertakings. Further details of the subsidiary undertakings are disclosed in the notes to the accounts. *ifs University College* has taken advantage of the exemption in the Charities Act 2011 not to present its own income and expenditure account. However, the Consolidated Statement of Financial Activities includes gross income of *ifs University College* of £13,641,000 and net deficit of £1,932,000.

The subsidiary company, Institute of Financial Services Limited, has remained dormant throughout the period. Both *ifs Learning Limited* and *ifs ProShare Limited* were trading during the period and have been consolidated into the financial statements.

Local/regional centres are considered to be branches and have been accounted for as part of the whole group in the financial statements for the year ended 31 July 2015.

Overseas centres have not been consolidated on the basis that they operate as separate legal entities governed by their own constitution. The grants made are given on the express undertaking that they will be applied wholly for educational purposes. Grants are included on the basis of amounts payable.

### c) Fund accounting

General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of the general objectives of *ifs University College* and which have not been designated for a specific purpose.

Designated funds comprise unrestricted funds that have been set aside by the trustees for a particular purpose. The aim of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donors or which have been raised by *ifs University College* for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

### d) Recognition of income

Income from tuition fees and education contracts is recognised over the length of the course being offered.

Investment income is included on a receivable basis.

With no new life subscriptions being received, the balance is being released to income over a 20- year period on a straight line basis. Other subscriptions and income are included on the basis of amounts receivable and any amounts received in advance included within deferred income.

Donations are included in the financial statements on the basis of amounts received.

All other incoming resources are included in the income and expenditure account when *ifs University College* is legally entitled to the income and the amount can be quantified with reasonable accuracy. Any amounts received in advance are included within deferred income.

### e) Foreign currency transactions

Foreign currency transactions arising from normal trading activities are recorded at the rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are translated at the year end exchange rate. Foreign currency gains and losses are credited or charged to the consolidated income statement as they arise.

### f) Operating leases

Rentals paid under operating leases are charged to revenue on a straight-line basis over the terms of the leases. Where incentives are offered at the start of a lease, these are spread over the period to the first break date as this is deemed to be the first point in time that the underlying rentals revert to the prevailing market rate.

# Statement of Principal Accounting Policies

## g) Fixed assets

Individual assets costing £1,000 or more are capitalised at cost.

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated using the following rates:

Leasehold improvements	10% over initial lease term
Computer hardware and software	33% per annum on cost
Furniture and equipment	25% per annum on cost

Computer hardware, software and items of furniture and equipment under £1,000 have been charged in full to revenue in the year of purchase.

The freehold building is stated at existing use value in line with FRS 15 and depreciated over a period of 50 years. Freehold improvements in progress are not depreciated until the completion of the project, when they will be consolidated into the cost of freehold and depreciated accordingly.

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

## h) Investments

All investments are stated at market value, except for the 100% shareholding in the subsidiaries which is stated at cost. Market values have been determined as follows with realised and unrealised gains and losses taken to the statement of financial activities:

- quoted investments at mid-market value;
- unit trusts and managed fund investments are stated at the average of the bid and offer prices.

## i) Stock and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value.

Work in progress represents expenditure on the production of *ifs University College* publications where the first print is still to take place. Such expenditure will be written off at the first print-run.

## j) Pension scheme

*ifs University College* operates a funded defined benefit scheme, the assets of which are held in a specific trust separately from those of *ifs University College*. Contributions to the scheme are charged to the statement of financial activities so as to spread the cost evenly over employees' working lives with *ifs University College*. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method and discounted using an AA corporate bond rate. The pension scheme assets are valued at market rate. Pension fund deficits are recognised in the balance sheet but surpluses are not recognised as assets where they cannot be recovered either through a refund from the scheme or reductions in future benefits.

*ifs University College* also operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the statement of financial activities in the year to which they relate. These contributions are invested separately from the charity's assets in an independently administered fund.

## k) Taxation

*ifs University College* is an exempt charity within the meaning of the Charities Act 2011 and, as such, is a charity within the meaning of section 506(1) of the Taxes Act 1988. Accordingly *ifs University College* is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the Taxes Act 1988 or section 256 of the Taxation and Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. *ifs University College* receives no similar exemption in respect of value added tax.

The subsidiary trading companies operate as commercial organisations and are subject to corporation tax. The profits of these companies are gift aided to *ifs University College*.

## l) Cash flows and liquid resources

Cash flows comprise increases or decreases in cash. Cash includes cash in hand and deposits but excludes cash held as part of the investment portfolio.

## m) Post-retirement benefits

Post-retirement benefits are included within the financial statements on the basis of the net present value of future cash flows with any gains or losses charged to the income and expenditure account.

## Consolidated income and expenditure account

for the year ended 31 July 2015

	Notes	2015 £000s	2014 £000s
<b>Income</b>			
Tuition fees and education contracts	1	10,784	12,259
Other income	2	2,665	2,577
Investment income	3	208	208
Donations		14	4
		<b>13,671</b>	15,048
<b>Expenditure</b>			
Staff costs	4	6,273	6,069
Other operating expenditure	5	9,052	8,519
Depreciation	6	278	260
		<b>15,603</b>	14,848
<b>Group surplus/(deficit) on continuing operations after depreciation of assets at valuation and before and after tax</b>		<b>(1,932)</b>	200
Surplus/(deficit) for the year transferred to accumulated income in restricted funds	13	47	46
<b>Group surplus/(deficit) for the year retained within general reserve</b>		<b>(1,885)</b>	246

The income and expenditure account is in respect of continuing activities.  
The accounting policies and notes form part of these financial statements.  
There are no recognised gains and losses for the year other than as shown in the income and expenditure account.

## Consolidated statement of total recognised gains and losses

for the year ended 31 July 2015

		2015 £000s	2014 £000s
Group surplus/(deficit) on continuing operations after depreciation of assets at valuation and before and after tax		(1,932)	200
Gain on revaluation of property	6	-	306
Gains/(losses) on investment assets	7	308	58
Actuarial gains recognised in defined benefit pension	17	-	-
<b>Total recognised surplus/(deficit) relating to the year</b>		<b>(1,624)</b>	<b>564</b>
<hr/>			
Opening reserves and endowments		11,485	10,921
Total recognised surplus/(deficit) relating to the year		(1,624)	564
<hr/>			
<b>Closing reserves and endowments</b>		<b>9,861</b>	<b>11,485</b>
<hr/>			

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

# Consolidated balance sheet

as at 31 July 2015

	Notes	Group 2015 £000s	2014 £000s	<i>ifs University College</i> 2015 £000s	2014 £000s
<b>Fixed assets</b>					
Tangible assets	6	2,468	2,429	2,468	2,429
Investments	7	5,979	6,625	5,979	6,625
		<b>8,447</b>	<b>9,054</b>	<b>8,447</b>	<b>9,054</b>
<b>Restricted and endowment assets</b>					
Investments	7	1,431	1,360	1,431	1,360
Other		9	73	9	73
		<b>1,440</b>	<b>1,433</b>	<b>1,440</b>	<b>1,433</b>
<b>Current assets</b>					
Stock and work in progress	8	91	62	91	62
Debtors	9	1,834	1,998	1,809	1,969
Cash at bank and in hand		2,245	2,842	2,240	2,838
		<b>4,170</b>	<b>4,902</b>	<b>4,140</b>	<b>4,869</b>
<b>Creditors:</b> amounts falling due within one year	10	<b>(4,063)</b>	<b>(3,758)</b>	<b>(4,033)</b>	<b>(3,725)</b>
<b>Net current assets</b>		<b>107</b>	<b>1,144</b>	<b>107</b>	<b>1,144</b>
<b>Total assets less current liabilities</b>		<b>9,994</b>	<b>11,631</b>	<b>9,994</b>	<b>11,631</b>
Provision for liabilities and charges	11	(133)	(146)	(133)	(146)
<b>Net assets excluding pension asset</b>		<b>9,861</b>	<b>11,485</b>	<b>9,861</b>	<b>11,485</b>
Defined-benefit pension scheme asset	17	-	-	-	-
<b>Net assets including pension asset</b>		<b>9,861</b>	<b>11,485</b>	<b>9,861</b>	<b>11,485</b>
Represented by:					
<b>Restricted funds</b>	13	<b>1,440</b>	<b>1,433</b>	<b>1,440</b>	<b>1,433</b>
<b>Reserves</b>					
General reserve	14	8,421	10,052	8,421	10,052
Pension reserve	17	-	-	-	-
<b>Total unrestricted funds</b>		<b>8,421</b>	<b>10,052</b>	<b>8,421</b>	<b>10,052</b>
<b>Total funds</b>		<b>9,861</b>	<b>11,485</b>	<b>9,861</b>	<b>11,485</b>

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

The financial statements were approved by the board on 25 November 2015 and signed and authorised for issue on its behalf by:



Dr Paul Fisher  
Chairman



Alex Fraser  
Principal

## Consolidated cashflow statement

for the year ended 31 July 2015

	Notes	2015 £000s	2014 £000s
<b>Net cash inflow/(outflow) from operating activities</b>	i	<b>(1,435)</b>	(88)
<b>Returns on investments</b>			
Income from investment portfolio		140	140
Interest received		68	68
		<b>208</b>	208
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(317)	(169)
Payments to acquire investments		(5,425)	-
Receipts from sales of investments		4,610	56
		<b>(1,132)</b>	(113)
<b>Increase/(decrease) in cash</b>	ii	<b>(2,359)</b>	7

### i Reconciliation of changes in resources to net cash outflow from operating activities

Net incoming/(outgoing) resources before other recognised gains and losses		(1,932)	200
Investment income		(208)	(208)
Depreciation, profit on sale and amortisation		278	260
Increase/(decrease) in stocks		(29)	10
Net decrease/(increase) in debtors		164	68
Net (decrease)/increase in creditors and provisions		292	(418)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>(1,435)</b>	(88)

### ii Analysis of net cash resources

	2015 £000s	2014 £000s	Change in cash flow £000s
Cash at bank and in hand	2,245	2,842	(597)
Restricted fund cash	9	73	(64)
Cash held with investments	578	2,276	(1,698)
	<b>2,832</b>	5,191	(2,359)

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

# Notes to the financial statements

for the year ended 31 July 2015

<b>1. Tuition fees and education contracts</b>	<b>2015</b>	2014
	<b>£000s</b>	£000s
Higher Education students		
Full-time Home/EU students	<b>828</b>	706
Full-time International	<b>11</b>	11
Part-time	<b>1,271</b>	1,777
Financial capability qualifications	<b>1,410</b>	1,554
Professional and specialist qualifications	<b>7,264</b>	8,211
	<b>10,784</b>	12,259

<b>2. Other income</b>	<b>2015</b>	2014
	<b>£000s</b>	£000s
Professional and alumni services	<b>2,084</b>	2,080
<i>ifs</i> Proshare	<b>447</b>	420
Rent receivable	<b>134</b>	77
	<b>2,665</b>	2,577

<b>3. Investment income</b>	<b>2015</b>	2014
	<b>£000s</b>	£000s
UK equities	<b>81</b>	101
Overseas equities	<b>67</b>	45
Fixed interest	<b>36</b>	36
Alternatives	<b>2</b>	-
Deposits	<b>22</b>	26
	<b>208</b>	208

## Notes to the financial statements

for the year ended 31 July 2015

<b>4. Staff costs</b>	<b>2015</b>	2014
	<b>£000s</b>	£000s
Wages, salaries and fees	<b>5,402</b>	5,233
Social security costs	<b>541</b>	535
Pension cost	<b>330</b>	301
	<b>6,273</b>	6,069

	<b>2015</b>	2014
	<b>Number</b>	Number
Average monthly number of employees calculated on the basis of full time equivalents was:		
Academic departments and support services	<b>82</b>	83
Professional services	<b>25</b>	22
Premises	<b>6</b>	6
Central services	<b>39</b>	38
	<b>152</b>	149

The remuneration of higher paid staff, excluding pension contributions in excess of £100,000 was:

£110,000 - £119,999	<b>1</b>	2
£120,000 - £129,999	<b>1</b>	-
£220,000 - £229,999	<b>-</b>	1
	<b>2015</b>	2014
	<b>£000s</b>	£000s
Emoluments of the Principal		
Gavin Shreeve (to Feb 2015)	<b>122</b>	229
Alex Fraser (from Feb 2015)	<b>84</b>	-

The Governors did not receive any payments other than reimbursement of travel and subsistence expenses, except for those who are employed by contracts under standard terms.

<b>5. Other operating expenditure</b>	<b>2015</b>	2014
	<b>£000s</b>	£000s
<b>Other operating expenses included:</b>		
Academic departments and support services	<b>3,888</b>	4,322
Professional services	<b>606</b>	609
Premises	<b>2,147</b>	1,322
Central services	<b>2,283</b>	2,147
Restricted funds	<b>96</b>	87
Auditor's remuneration		
Audit fees	<b>32</b>	32
Other services	<b>-</b>	-
	<b>9,052</b>	8,519



## Notes to the financial statements

for the year ended 31 July 2015

### 6. Tangible fixed assets

Group and Charity

	Freehold property £000s	Freehold improvements £000s	Leasehold improvements £000s	Computer installation, furniture and equipment £000s	Total £000s
<b>Cost or valuation</b>					
At 1 August 2014	1,300	-	1,508	1,537	4,345
Additions	-	271	-	46	317
Revaluation	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 July 2015	1,300	271	1,508	1,583	4,662
<b>Depreciation</b>					
At 1 August 2014	-	-	586	1,330	1,916
Charge for the period	19	-	151	108	278
Revaluation	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 July 2015	19	-	737	1,438	2,194
<b>Net book value</b>					
At 31 July 2015	1,281	271	771	145	2,468
At 31 July 2014	1,300	-	922	207	2,429

Cost of freehold property and net book valued prior to revaluation £833,243.

A valuation, based on existing use value, was carried out by a qualified chartered surveyor, Strutt and Parker, as at 31 July 2014, showing the value at £1.3m. The value of land included within freehold property is £350,000.

## Notes to the financial statements

for the year ended 31 July 2015

7. Investments	General	Restricted	2015	2014
	£000s	£000s	Total £000s	Total £000s
<b>Investments at cost</b>				
Managed funds				
UK equities	2,027	503	<b>2,530</b>	2,027
Overseas equities	2,021	478	<b>2,499</b>	2,119
UK fixed interest	868	188	<b>1,056</b>	774
Alternatives	447	109	<b>556</b>	-
Cash	474	104	<b>578</b>	2,276
	<b>5,837</b>	<b>1,382</b>	<b>7,219</b>	<b>7,196</b>

### Investments at market value

Managed funds				
UK equities	2,154	535	<b>2,689</b>	2,845
Overseas equities	2,023	478	<b>2,501</b>	2,101
UK fixed interest	884	206	<b>1,090</b>	763
Alternatives	444	108	<b>552</b>	-
	<b>5,505</b>	<b>1,327</b>	<b>6,832</b>	<b>5,709</b>
Cash	474	104	<b>578</b>	2,276
	<b>5,979</b>	<b>1,431</b>	<b>7,410</b>	<b>7,985</b>

The movement of investments is represented by:

Carrying value (market value) at the beginning of the year	4,583	1,126	<b>5,709</b>	5,707
Add: additions to investments at cost	4,365	1,060	<b>5,425</b>	-
Less: disposals at carrying value	(3,697)	(913)	<b>(4,610)</b>	(56)
Add: net gain on revaluation	254	54	<b>308</b>	58
Carrying value (market value) at the end of the year	<b>5,505</b>	<b>1,327</b>	<b>6,832</b>	<b>5,709</b>

Funds were managed during the year by Rathbones. Fees are charged separately to *ifs University College* and deducted from the investment portfolio.

The Charity controls the following subsidiary undertakings in which its investment amounts to £5 (2014 £5).

	Holding	Nature of Business
<i>ifs</i> Learning Limited	100% £1 ordinary shares	Events, sponsorship
Institute of Financial Services Limited	100% £1 ordinary shares	Dormant
<i>ifs</i> Proshare Limited	100% £1 ordinary shares	Employee share ownership

The country of incorporation for all subsidiaries is England and Wales.

## Notes to the financial statements

for the year ended 31 July 2015

<b>8. Stock and work in progress</b>	<b>2015</b>	<b>2014</b>
Group and Charity	<b>£000s</b>	<b>£000s</b>
Publications and sundry stock	<b>91</b>	62
	<b>91</b>	62

<b>9. Debtors</b>	<b>Group</b>		<b>Charity</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Due within one year				
Members and trade debtors	<b>1,144</b>	1,388	<b>1,125</b>	1,370
Amount due from staff pension fund	<b>84</b>	84	<b>84</b>	84
Other debtors	<b>33</b>	20	<b>33</b>	20
Prepayments	<b>573</b>	506	<b>567</b>	495
	<b>1,834</b>	1,998	<b>1,809</b>	1,969

<b>10. Creditors</b>	<b>Group</b>		<b>Charity</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Trade creditors	<b>742</b>	734	<b>742</b>	734
Amounts owed to subsidiary company	-	-	<b>122</b>	264
Other creditors and accruals	<b>1,192</b>	1,250	<b>1,193</b>	1,250
Taxation and social security	<b>100</b>	159	<b>100</b>	159
Deferred income (note 12)	<b>2,029</b>	1,615	<b>1,877</b>	1,318
	<b>4,063</b>	3,758	<b>4,034</b>	3,725

## 11. Provision for liabilities and charges

	Post- Retirement Healthcare £000s
Balance at 1 August 2014	<b>146</b>
Amounts released during the year	<b>(6)</b>
Discount charges for the year	7
Charged to income and expenditure account	<b>(14)</b>
Balance at 31 July 2015	<b>133</b>
Provision falling due within one year	<b>6</b>
Provision falling due after more than one year	<b>127</b>

### Post-retirement healthcare

*ifs University College* continues to provide post-retirement healthcare benefits to certain retired employees and their spouses, a benefit that ceased to be offered to existing staff some years ago. A provision is made in line with FRS 12 using a discount rate of 5.0% (2014 5.0%) and a rate of increase in medical costs of 10% (2014 10%).

## Notes to the financial statements

for the year ended 31 July 2015

### 12. Deferred income

	Balance at 01 Aug 14 £000s	Released £000s	Income £000s	Balance at 31 Jul 15 £000s
Subscriptions	579	(579)	553	553
Qualifications	605	(605)	1,199	1,199
Life subscriptions	134	(9)	-	125
Charity	1,318	(1,193)	1,752	1,877
Membership and support	297	(297)	152	152
<b>Group</b>	<b>1,615</b>	<b>(1,490)</b>	<b>1,904</b>	<b>2,029</b>

### 13. Restricted funds

The income funds of the Charity include restricted funds comprising the following unexpended balances of donations held on trusts to be applied for specific purposes.

	Alumni and Scholarship fund £000s	Bursary fund £000s	Grunfeld fund £000s	Strudwick Prize fund £000s	<b>2015 Total £000s</b>	2014 Total £000s
Income	15	6	28	-	49	41
Expenditure	(12)	(27)	(57)	-	(96)	(87)
Transfers	-	-	-	-	-	-
	3	(21)	(29)	-	(47)	(46)
Increase in market value of investments	1	10	43	-	54	11
	4	(11)	14	-	7	(35)
Fund balances brought forward at 1 August 2014	137	275	1,017	4	1,433	1,468
Fund balances carried forward at 31 July 2015	141	264	1,031	4	1,440	1,433
Represented by:						
Investments	30	273	1,128	-	1,431	1,360
Net current assets	111	(9)	(97)	4	9	73
	141	264	1,031	4	1,440	1,433

The Alumni and Scholarship fund gives past *ifs University College* students the opportunity to participate in this vision and support diverse future generations of financial services professionals. The primary purpose of the fund is to provide support for students undertaking *ifs University College*'s full-time undergraduate degree programmes. The Bursary fund provides means-tested assistance to both full and part-time students.

The Grunfeld fund was received by *ifs University College* from the Henry Grunfeld Foundation in March 1999 on the undertaking that *ifs University College* would fulfil the foundation's existing obligations and hold the balance of the fund for the purposes of the education of persons working in banking and financial services in London.

The Strudwick Prize fund was received as bequest under the will of Mr HEH Strudwick, FCIB on the undertaking that the £30,000 be used to support a prize in his name.

## Notes to the financial statements

for the year ended 31 July 2015

### 14. Movement on general reserve

	2015 £000s	2014 £000s
Fund balances brought forward at 1 August 2014	10,052	9,453
Surplus/(deficit) for the year	(1,885)	246
Revaluation gain	-	306
Increase in market value of investments	254	47
<b>Fund balances carried forward at 31 July 2015</b>	<b>8,421</b>	<b>10,052</b>

### 15. Commitments

At the year end, the charity had the following annual commitments under operating leases as set out below.

	2015		2014	
	Land & Buildings £000s	Other £000s	Land & Buildings £000s	Other £000s
Operating leases which expire in				
less than one year	-	1	-	8
two to five years	27	44	27	44
over five years	854	-	854	-

As at 31 July 2015 the Charity had capital commitments of £419,000 in respect of the refurbishment at Canterbury.

### 16. Related Party Transactions

*ifs University College* has taken advantage of the exemption available under Financial Reporting Standard 8 Related Party Transactions not to disclose transactions included within the group.

# Notes to the financial statements

## for the year ended 31 July 2015

### 17. Pension scheme

*ifs University College* operates two schemes, a defined contribution scheme that is available to new employees and a defined benefit scheme that is closed.

A full actuarial valuation was completed as at 31 December 2013 and the results from this valuation have been updated to 31 July 2015 by a qualified independent actuary for the purpose of the FRS17 disclosures below.

The Fund closed to future accrual on 31 March 2009. Contributions for the year ending 31 July 2016 are expected to be £nil.

#### The major assumptions used by the actuary to value the liabilities of the fund were (in nominal terms):

	2015	2014
Discount rate	3.7%	4.2%
Pension increases pre 2006 excess over GMP	2.4%	2.5%
Pension increases post 2006 pension	2.4%	2.5%
CPI inflation assumption	2.4%	2.5%
Assumed life expectancies on retirement at age 60 are:		
Retiring today		
Males	27.5	27.4
Females	29.2	29.1
Retiring in 20 years' time		
Males	29.1	29.0
Females	30.8	30.7

The assumptions used in determining the overall expected return of the scheme have been set with reference to yields available on government bonds and appropriate risk margins.

The assets in the scheme and the expected rates of return were:

	Long term rate of return expected at 31 Jul 15	Value at 31 Jul 15 £000s	Long term rate of return expected at 31 Jul 14	Value at 31 Jul 14 £000s
Investment fund	5.50%	21,186	6.30%	19,426
Matching fund	2.50%	17,411	3.30%	16,136
<b>Fair value of plan assets</b>		<b>38,597</b>		<b>35,562</b>

	2015 £000s	2014 £000s
The actual return on assets over the period was:	4,226	2,070

#### The amounts recognised in the balance sheet are as follows:

Present value of scheme liabilities	(35,748)	(33,437)
Fair value of scheme assets	38,597	35,562
Net asset	2,849	2,125
Pension scheme surplus not recognised	(2,849)	(2,125)

## Notes to the financial statements

for the year ended 31 July 2015

	2015 £000s	2014 £000s
<b>Reconciliation of opening and closing balances of the present value of the scheme liabilities</b>		
Liabilities at the beginning of the year	33,437	31,604
Interest cost	1,380	1,392
Actuarial gain	2,122	1,802
Benefits paid	(1,191)	(1,361)
Liabilities at the end of year	35,748	33,437

### Reconciliation of opening and closing balances of the fair value of scheme assets

Fair value of scheme assets at beginning of year	35,562	34,853
Expected return on scheme assets	1,727	1,559
Actuarial gain	2,499	511
Benefits paid	(1,191)	(1,361)
Fair value of scheme assets at end of year	38,597	35,562

### Analysis of amount recognised in statement of financial activities

Actuarial gain/losses	377	(1,291)
Impact of surplus restriction	(724)	1,124
Restriction on expected return on assets due to paragraph 67 (c)	347	167
Total	-	-

### Analysis of the amount charged to resources expended

Expected return on pension scheme assets	1,727	1,559
Restriction on expected return on assets due to paragraph 67 (c)	(347)	(167)
Interest on pension scheme liabilities	(1,380)	(1,392)
Net return	-	-

### History of scheme assets, obligations and experience adjustments

	As at 31 Jul 15 £000s	As at 31 Jul 14 £000s	As at 31 Jul 13 £000s	As at 31 Jul 12 £000s	As at 31 Jul 11 £000s
Present value of scheme liabilities	35,748	33,437	31,604	29,642	29,753
Fair value of scheme assets	38,597	35,562	34,853	32,538	30,945
Irrecoverable surplus/(deficit) in the scheme	2,849	2,125	3,249	2,896	1,192
Total adjustments arising on scheme liabilities	(2,122)	(1,802)	(1,900)	627	2,646
Total adjustment item as a percentage of scheme liabilities	-5.9%	-5.4%	-6.0%	2.1%	8.9%
Experience adjustments arising on scheme liabilities	352	(127)	(198)	142	1,434
Experience item as a percentage of scheme liabilities	1.0%	-0.4%	-0.6%	0.5%	4.8%
Changes in assumptions underlying the scheme liabilities	(2,474)	(1,675)	(1,702)	485	1,212
Changes in assumptions as a percentage of scheme liabilities	-6.9%	-5.0%	-5.4%	1.6%	4.1%
Experience adjustments arising on scheme assets	2,499	511	1,967	925	2,282
Experience item as a percentage of scheme assets	6.5%	1.4%	5.6%	2.8%	7.4%
Cumulative actuarial gain/(loss) shown in the Statement of Financial Activities	2,801	2,077	3,201	2,848	1,144

*ifs University College* is the university college for financial education. London-based, it is a registered charity incorporated by Royal Charter that exists to ensure a flow of talented individuals into the financial services industry and related sectors. Its qualifications enable individuals to reach their full professional potential and encourage appropriate and ethical practice. It also works to enhance the financial wellbeing of future generations through its unique personal finance qualifications and wider financial capability initiatives.

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