



Annual Report and Accounts 2013/14

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

Further great strides were made along the long strategic education trail of blending the vocational, the professional and the academic.

Many educational bodies pay lip service to achieving this essential mix for the complex world of work in finance. Few achieve it. *ifs University College* provides professional academic education up to and including masters level.

A small, specialist, high-quality provider, *ifs University College* has a proud heritage of more than 135 years of professional education that was raised to degree levels 20 years ago. It has set a real benchmark of raising measurable standards. *ifs University College* makes no apologies for its provision of challenging and demanding education. A high level of numeracy is a sine qua non.

It has widened its offering of professional degrees and related qualifications and is preparing to offer more at the start of the 2015 academic year.

In building this specialist offering *ifs University College* has created a unique and powerful community of academics and practitioner-academics. The latter are those teaching technical subjects and bringing the experience of their daily jobs and the real world to the classroom.

This blend has raised standards and relevance for both part-time and full-time students. In particular, students returning from internships in the financial services sector have been extolling the merits of *ifs University College* courses in that they are exactly fit for purpose. All of them reported the relevance and appropriateness of what they learnt in the lecture room to practice at the coal face.

There has been much talk and debate in political circles and in the media about raising standards in the financial services sector, notably the banks. *ifs University College* has been in the vanguard of such activity.

It has also been a leader in financial capability education with its GCSE-, AS- and A-level-equivalent qualifications continuing to be popular. There is a great deal more work to be done to overcome an inexplicable reluctance to elevate this vital life skill to the level of a proper qualification in its own right within the curriculum.

As the financial services sector becomes more complicated and specialised, the traditional generalist qualifications, while still relevant for a broader understanding of the sector, are giving way to increasing use of specialist qualifications. Again, *ifs University College* has understood this direction of travel for the past two decades and has responded with a

range of awards that are offered to thousands of students in more than 70 countries.

A duty of care and appropriate conduct in dealing with customers has become a major issue in the wider community in the wake of several high-profile financial scandals, much of it to do with high-pressure selling. *ifs University College* has for 20 years been a major provider of qualifications for the regulated adviser market, both mortgage and financial. It has responded to the needs of an industry that is in the throes of rebuilding its image and reputation with qualifications that focus on conduct and behaviour. This is about building and providing practical and relevant educational solutions on sound ethical foundations.

There are no short cuts to building a high-quality, educated workforce. Appropriate customer service cannot be achieved through just-in-time 'training' and repeating the public relations mantra. That was a major factor in the 2008 crisis and there is a very real danger that history could repeat itself. Financial services is a people business. Only an educated workforce can satisfy the demand for high standards in terms of both skills and probity.

ifs University College has a 135-year history of providing uncompromisingly high-quality, relevant education in the heart of the City of London. It has deepened that commitment by opening its first-ever campus for full-time students in the medieval cobbled Lovat Lane. It combines heritage with modernity to provide incomparable education for and about finance and financial services.

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

Organisational development

Approval by the Privy Council in October 2013 for the grant of *University College* title coincided with the opening of a new campus building in the City of London by the Rt Hon David Willetts MP, Minister for Universities & Science. The new building provides capacity for growth in full-time student recruitment, enabled through the full acceptance by the Department for Business, Innovation & Skills (BIS) of *ifs University College's* Student Number Control application. It was also confirmed that, in accordance with other universities, *ifs University College* now holds institutional designation of Student Loan Company (SLC) funding for all its undergraduate degree programmes, removing the need for individual SLC funding applications.

Report of the Board of Governors

In accordance with the established schedule undertaken by the Quality Assurance Agency (QAA), *ifs University College* commenced preparations for a Higher Education Review to be undertaken in November 2014. The review will focus on academic standards, learning opportunities, student information and enhancement activity and also address 'Student Involvement in Quality Assurance & Enhancement' as a specific theme.

In April 2014 the Office of Qualifications and Examinations Regulation (Ofqual) undertook a routine monitoring visit of *ifs University College*. The formal report of the visit's findings confirmed that Ofqual had 'no concerns' regarding the processes and procedures of *ifs University College* which subsequently submitted the annual Statement of Compliance with Ofqual's General Conditions of Recognition.

Recruitment and programme development

Despite the challenging postgraduate market, a new cohort of students made up of senior financial services professionals commenced study of the MSc in Banking Practice and Management.

Recruitment to the three full-time undergraduate programmes offered by *ifs University College* reflected the learning pathway presented to students of *ifs University College* A-level equivalent qualifications (the Certificate and the Diploma in Financial Studies) as well as broader sources of student recruitment. The launch of a 'Summer University' for Year 12 students proved highly successful in reaching students considering study of finance-based subjects at university. A number of third-year students undertook successful corporate internships with a high proportion achieving offers of employment on successful completion of their studies.

Two new full-time undergraduate degree programmes were validated: the BSc (Hons) in Business, Enterprise and Finance, aimed at students looking to build careers in the SME sector, and the BSc (Hons) in Politics, Finance and Economics, a unique undergraduate programme that addresses the interaction between political, financial and economic forces. Students of both will apply theoretical learning in practical scenarios supported by internships and project-based study.

The level of corporate registrations was maintained with the number of students undertaking bespoke programmes, developed to blend internally delivered learning with *ifs University College* professional qualifications, expanding. The Professional Certificate in Financial Services (PCertFS)

was launched to provide a more generic qualification at this level for the financial services sector. The Annual Alumni Survey indicating the perceived value of professional education to individual performance and promotion prospects was published and reported a positive impact.

Recruitment to the Postgraduate Certificate in Higher Education remained strong amongst *ifs University College* faculty and expanded to include registrations by external academics. Development of a Postgraduate Certificate in Teaching Financial Capability commenced to attract and retain those teaching *ifs University College* financial capability qualifications in schools.

The Certificate for Specialists in Demand Guarantees (CSDG®) was launched as a new trade qualification to complement the industry benchmark qualifications: the Certificate for Documentary Credit Specialist (CDCS®), which became a regulated qualification, and the Certificate in International Trade and Finance (CITF®). The firm relationship built with the ICC continues to offer valuable recognition for the range of *ifs University College* international trade qualifications.

The *ifs University College* suite of banking conduct qualifications continued to attract strong student registrations. Given significant student interest in a progression route from the Certificate in Business Banking and Conduct (CertBB&C®), the development of a diploma-level qualification was implemented.

Academic and sector activity

The Banking Standards Review consultation was issued in February 2014 with final recommendations published in May. *ifs University College* provided input at various stages of the consultation and continues to participate directly in its development and implementation.

A number of regulatory changes were implemented during the year as the Office of Qualifications and Examinations Regulation (Ofqual) clarified interpretation of the Qualifications and Curriculum Framework (QCF). Ofqual also launched a consultation on the proposed withdrawal of the QCF which may result in the further review of qualifications once a new framework has been determined.

The annual *ifs University College* Higher Education Conference took place in April 2014 attended by over 100 faculty and wider academic community members. Speakers included the *ifs University College* Chairman, Dr Paul Fisher; Nick Hillman, Director at the Higher Education Policy Institute and former special adviser to David Willetts; and Olinga Ta'aed of the Big Society Network.

Report of the Board of Governors

A new research fund was launched to encourage and develop innovative teaching practice by *ifs University College* faculty members, addressing themes such as employability, education for sustainable development and enhancing learning through technology.

Recognition of *ifs University College*'s ability to contribute to the quality and breadth of UK higher education provision continued with faculty and staff invited to join a range of sector review panels and Higher Education Funding Council for England (HEFCE) focus groups. These addressed issues encompassing the HE funding and regulatory system, degree attainment by ethnic minority students, student data submission, financial management and student engagement issues.

Student interest

A number of initiatives to support student engagement, widen participation in higher education and support student interests were implemented or extended.

In October a Student Engagement Week was held to gather student feedback and promote the various ways that students can engage with *ifs University College*. A framework to support students seeking to establish clubs and societies was developed and will be implemented through the newly established role of Student Engagement Officer.

A new 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. In preparation for the National Student Survey of third-year full-time students a 'shadow' feedback exercise was undertaken.

Although *ifs University College* is not required to submit an Access Agreement to the Office for Fair Access (OFFA), to demonstrate continuing commitment to the widening participation agenda a revised 'Statement of Intent' and performance report was published. A meeting was held with the chief executive of OFFA to review and develop *ifs University College*'s widening participation initiatives.

ifs University College renewed its membership of the Office of the Independent Adjudicator for Higher Education (OIA). Exceptionally few student complaints were received throughout the year and no 'eligible' complaints were submitted to the OIA.

Financial Capability

ifs University College has a range of financial capability qualifications at Ofqual Levels 1–3; these are designed to help students aged 14–19 to develop the crucial financial life skills they need, whether progressing from secondary school into further and higher education or entering the world of work.

Despite the many challenges affecting the education landscape, *ifs University College* has seen the demand for these qualifications continue. The Department for Education review of GCSE and A-Level performance tables is complete and the new Level 2 Certificate in Financial Education (CeFE) and Level 3 Certificate in Financial Studies (CeFS) have been included. CeFE will be counted in the 'progress 8' performance measures.

ifs University College's application for expansion of recognition to award A-levels is ongoing.

From September 2014, schools following the National Curriculum will be required to teach personal financial education through Citizenship and Mathematics. In order to help schools meet this requirement, the Association of Citizenship Teachers (ACT), who represent teachers involved in citizenship education, and *ifs University College* have collaborated to develop a series of resources that enable teachers to plan and devise programmes of study which will help their students become socially and financially aware.

Among the resources is a curriculum development guide that identifies key themes within financial education such as the impact of debt, financial planning and the implications of financial choices. The development guide also includes advice on teaching key financial themes at differing levels and abilities. This collaboration was launched at the ACT conference in July, which was hosted by *ifs University College*.

ifs University College has launched a new research project to help better understand the financial behaviours, experiences and attitudes of the young people it educates.

The Young Persons' Money Index report is the first in a series which will track financial literacy in young people across the UK using key measurable indicators, including:

- how financial education is being delivered and its effects on behaviour and financial confidence among young people;
- students' financial expectations with regards to earnings and lifestyles;
- use of financial products and levels of income, earnings and expenditure.

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The survey was carried out online by research agency ICM in Autumn 2013. It focused on 2,000 people aged between 15 and 18, in full-time education, living in the United Kingdom.

Nearly 50 AS-level students from London recently joined *ifs University College* to take part in its first ever Summer University Programme.

The three-day programme was launched to provide students with insights into the often complex world of financial services and the world of higher education, through a series of talks, lectures and careers advice presentations.

Hosted at *ifs University College*'s London Campus in Lovat Lane, the programme also tested the students' understanding of different financial concepts through the inclusion of a real-time trading simulation exercise, a financial quiz and a team-building business challenge, in which students' commercial acumen was explored.

To close the programme, the participants also heard from current and former *ifs University College* students, who spoke of their own experiences of working in financial services and studying at *ifs University College*.

A team of students from Pate's Grammar School in Cheltenham won the 2014 *ifs University College* Student Investor Challenge; this was the school's second winning team in three years.

In a tense final the team was successful in a simulated trading game, in which they bought and sold virtual currency in reaction to the events surrounding the US 'fiscal cliff' talks of 2013. This was followed by an engaging and in-depth presentation that discussed whether auto-enrolment is the answer to Britain's pension needs.

Having beaten more than 30,000 students across the UK, the 'Greeks' team travelled to New York on an all-expenses-paid educational trip, where they visited prestigious financial landmarks such as the New York Stock Exchange and the American Museum of Finance.

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.

A number of *ifs ProShare*-initiated campaigns came to

fruition this year. As of 6 April 2014 the maximum savings limits for Save As You Earn (SAYE) plans doubled from £250 to £500 a month. This is the first increase since 1992. Similarly, the maximum savings limits for Share Incentive Plans (SIPs) rose from £3,000 to £3,600 for free shares and from £1,500 to £1,800 for partnership shares. This was the first increase in more than a decade. Millions of employees will benefit as a result.

Also taking effect from April 2014, HMRC no longer approves any new tax-advantaged schemes. Instead companies must self-certify CSOP, SAYE and SIP to confirm that they meet legislative requirements. This substantial time- and cost-saving measure was again initiated by *ifs ProShare* and has only been delivered after its lobbying activity.

A record number of entries for the Annual *ifs ProShare* Awards – another sell-out event – saw almost 500 share plan professionals attend the prestigious Grand Connaught Rooms in central London.

The Annual *ifs ProShare* Conference attracted almost 250 delegates, secured a range of sponsors including UBS, Equiniti and Computershare, and enjoyed a keynote speech from the Director General of the British Private Equity & Venture Capital Association.

Alumni, professional services and membership

ifs University College has maintained and enhanced its provision of professional and career development services throughout the year.

At the beginning of 2014 the various membership propositions offered by the organisation were consolidated into a single, more straightforward membership structure delivered solely through the Institute of Financial Services, which is now established and widely recognised as the professional body of *ifs University College*. Through the different membership levels and packages available, the Institute provides a wide range of financial professionals with a dedicated membership organisation, linked to a degree-awarding body that is focused on encouraging high standards, ongoing learning and the dissemination of best practice.

Alongside support for its longstanding and highly valued members from the banking community, a key area of focus and growth for the Institute has been the provision of services to the regulated advice sector. These services include enhanced CPD opportunities and recording tools, and, as an FCA Accredited Body, the verification of CPD records and issuance of Statements of Professional Standing

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to retail investment advisers. Despite recent contraction in the sector, the number of advisers using the Institute's services remains strong and, following a successful external audit, the FCA confirmed the organisation's continued status as an Accredited Body in the spring.

Across all members and alumni, a very popular benefit of membership remains the opportunities provided for members to network, share best practice and develop their knowledge on a face-to-face basis. This is done through the Institute's programme of educational, CPD and networking events. This year the Institute of Financial Services and *ifs University College* held a total of 119 events across the UK and internationally, attracting nearly 5,000 attendees. Highlights of the programme included Prestige Lectures by David Roberts, Deputy Chairman of Lloyds Banking Group, Jane Platt, Chief Executive of NS&I, and a debate on challenger banks held at the Houses of Commons with Anders Bouvin, UK Chief Executive of Handelsbanken.

Financial World, *ifs University College's* industry journal, continued to provide its readers with news and analysis on the latest developments in the world of financial services. In the summer of 2014 the journal was relaunched in a new format more in keeping with the organisation's new status as a *University College*. To enhance its value as a research tool for students, members and alumni, *Financial World* is now published six times a year, as opposed to ten, with each issue being bigger and featuring longer articles and more in-depth analysis from leading practitioners and academics. Initial reader response to the changes has been very positive.

The 2013 *ifs University College* Alumni Survey was published in early 2014 and once again demonstrated the positive impact of *ifs University College* qualifications on the careers of former students. Specifically, of those who responded, the survey revealed that 99% of alumni are in employment, 92% are applying the knowledge they gained from their qualification in their current role and that 69% are more confident about applying for senior roles.

A major project underway is a review of the current membership and alumni offerings and the development of a long-term strategy for enhanced alumni, member and industry engagement. The objective of the strategy will be to maintain and enhance the existing membership offering whilst also building a complementary alumni proposition that fosters long-term engagement from all of *ifs University College's* past students, irrespective of whether they chose to maintain membership after graduating. This is particularly important at this point in *ifs University College's* development given that its first full-time undergraduate degree students have now graduated. The results and

recommendations from this project are due to be presented in the autumn of 2014 with a view to implementing them during the first half of 2015.

Sustainability agenda

ifs University College is progressing well with its Education for Sustainable Development (ESD) review of all its HE qualifications to incorporate sustainability issues as they affect financial services. Will Dawson from 'Forums for the Future' was appointed as an external consultant to support the Course Director for Banking, Practice and Regulation and five Subject Leaders with the review. *ifs University College* Sustainability Committee issued a comprehensive report on progress achieved in addressing sustainability issues so far. This report was presented to the Board of Governors in December and sent electronically to alumni, current students, the academic community and all staff.

Samantha Godden, Sustainability Leader for *ifs University College*, was chosen as a finalist in the Green Gown awards in November 2013 organised by the Environmental Association of Universities and Colleges (EAUC). Samantha has also chaired the Curriculum Sub Group for the London Universities Environment Group (LUEG), encouraging benchmarking opportunities and sharing best practice around ESD curriculum development. In June 2014, *ifs University College* staff presented a poster session at a conference organised by London South Bank University entitled 'Supporting employability, society and the environment: a curriculum for sustainability'.

The priority focus for this academic year has been increasing student engagement: a student representative and champions were appointed to help promote *ifs University College* Climate Week in March and other initiatives. Recycling was one of the main themes chosen by the students and donations were sent to various charities. Staff and students at our Lovat Lane Campus took part in the energy bike challenge, and the annual Climate Week Quiz was held in Canterbury and London. The overall funds raised during the week went to the 'Send a Cow' campaign nominated by a student on the full-time programme.

Staff continued to record their departmental environmental impacts via the annual Staff Sustainability Audit; the main achievements for the last twelve months included a considerable reduction in staff travel due to increased use of virtual meetings and reduction in printing with the installation of Uniflow secure printers.

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Financial review – results for the year ended 31 July 2014

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).

As part of its continued commitment to improving financial reporting and controls, during the year, *ifs University College* approved the appointment of Kingston City Group as the first Internal Auditor. In addition, the *University College* adopted the Statement of Recommended Practice for Further and Higher Education. There are a number of changes to the presentation of financial information resulting in some restated prior year figures, but no change to the overall surplus and net assets.

Total income for year of £15.05 million compares with the previous period of £13.1 million with a retained surplus of £0.246 million compared to a prior year deficit of £1.39 million.

The third cohort of 80 full-time students commenced studying with many receiving SLC support. Programmes included the new BSc (Hons) in Finance, Investment & Risk and existing BSc (Hons) in Banking Practice & Management and BSc (Hons) in Finance and Accounting for Financial Services. *ifs University College* announced two new full-time undergraduate degree programmes in Business, Enterprise & Finance and Politics, Finance & Economics for students starting in 2015.

There was a significant increase in registrations for the Certificate in Mortgage Advice and Practice (CeMAP®) due to the regulatory Mortgage Market Review, whilst registrations for trade-finance-related qualifications reached above 5,000 for the first time, supported by the new Certificate for Specialists in Demand Guarantees (CSDG®).

Registrations for banking conduct qualifications remained in line with the previous year and, as part of broadening the remit of *ifs University College*, new qualifications that will launch in 2014/15 include Consumer Debt Collection, Asset Finance and a Diploma in Business & Commercial Banking.

Revenue from Financial Capability qualifications fell due to uncertainties generated by changes to 14–19 education in England and Wales, but qualifications were sat by nearly 20,000 students in 400 schools.

Investments

At 31 July 2014 *ifs University College* held fixed-asset investments with a market value of £7.99m million (2013 £7.82 million).

The Trustees, through the Executive Committee, delegate the discretionary powers of management of *ifs University College's* fixed-asset investments to investment manager BlackRock. During the year, BlackRock indicated that it no longer wanted to provide a service to *ifs University College*. Rathbones has been appointed as a replacement fund manager with assets transferred shortly after the end of the year.

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.

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Current free reserves increased slightly to £7.623 million from £7.239 million and sit in the range of *ifs University College's* reserves policy. As a result, *ifs University College* considers it has an appropriate 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. 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 Student Number Controls, course designation and the impending Higher Education Review to be conducted by the QAA in November 2014 that will inform the application for the renewal of Taught Degree Awarding Powers (TDAP) in 2015. TDAP was awarded in November 2009 and took effect in January 2010. They were awarded for six years and an application for renewal must take place in the last six months of 2015.

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.

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

Report of the Board of Governors



Gavin Shreeve
Principal



Dr Rachel Banfield
Vice-Principal



Dot Carrier
Vice-Principal

Board of Governors (Trustees)

The Trustees as at 31 July 2014 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.

Gavin Shreeve MA
Principal

Prof Moorad Choudhry MA MBA PhD *Fifs*
FSCi FRM FInstSMM
Kim Cramphorn CeFA
Student Representative

Prof James Devlin BSc (Econ) PhD MCSl
Christopher Egerton-Warburton MA (Oxford)

Prof Ruth Farwell BSc PhD
Amanda Francis DSS BSc ACA

Catharine French BA MCSl
Simon Lloyd LLB

David Nicholson BA ACIB
Alastair Tyler BSc (Hons) FCIB

Academic Community Representative

Dr Carol Vielba
Prof Geoff Whitty CBE DLit (Ed) FCT

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

Brendan Cook MBA ACIB
Chris Sullivan FCIBS
Cathy Turner BA

Audit Committee

Amanda Francis DSS BSc ACA (Chair)
Helen Turner BSc (Econ) FCA
Alastair Tyler BSc (Hons) FCIB

Remuneration and Nominations Committee

Dr Paul Fisher (Chair)
Amanda Francis DSS BSc ACA
Simon Lloyd LLB
Cathy Turner BA
Prof Geoff Whitty CBE DLit (Ed) FCT

Academic Board

Board members and external members of the committee are:

Gavin Shreeve MA (Chair)
Dr Rachel Banfield DBA MA CPFA FMAAT
FHEA PGCHE
Anthony Cheng PCertB
Student Representative
Wendy Chowne ACIB PG Cert (Ed) PG Dip (Ed) SEDA FHEA
Prof Chris Clare EdD MBA MSc CEng
Amy Cookson *Sifs* PGCert
Student Representative
Martin Day MBA ACIB
Graham Flower BSc (Hons) CEng FCIB FRSA
Prof Warwick Funnell BA BCom (Hons) MCom (Hons) PhD DipEd CPA CMA
Dr Tony Gandy BSc (Econ) FCIB
Pam Hardy BA (Hons) FCIB
Tim Jones BSc (Hons) MBA ACIB ADipC
Dr Keith Pond BSc (Hons) MPhil PhD FCIB
FHEA MICM
Bob Sedgwick BSc (Econ)
Dr Carolina Valiente BSc (Hons) MPhil
Dr Peter Washer MA FHEA
Suellen White BSc (Hons)
Prof John Wilson BA (Hons) MPhil PhD

Report of the Board of Governors

Members of the executive team

Principal
Gavin Shreeve MA

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

Director of Human Resources
Anna Boyce BSc (Hons) FCIPD

Vice-Principal, Operations
Dot Carrier PGD CCI (Open)

Company Secretary
Philip Cook LLB

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

Director, Business Development
Mark Heaton ACIB

Finance Director
Ian Parrett FCCA

Vice-Principal and Faculty Head: 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

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Solicitors

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External Auditor

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Internal Auditor

Kingston City Group (KCG) (appointed 1 July
2014)
Kingston University
Yorkon House, Kingston Hill Campus
Kingston Hill
Kingston Upon Thames
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Investment manager

Blackrock (resigned 12 June 2014)
12 Throgmorton Avenue
London
EC2N 2DL

Rathbones Investment Management Ltd
(appointed 12 June 2014)
1 Curzon Street
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Approved by the Board of Governors on
9 December 2014 and signed for and on their
behalf by



Dr Paul Fisher PhD
Chairman



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 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.

Corporate Governance and Management

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 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 the partner 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 FE 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.

Corporate Governance and Management

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;
- 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 page 10, 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 appointed in the year.

Approved by the Board of Governors on 9 December 2014 and signed for and on their behalf by



Dr Paul Fisher PhD
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 2014 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.

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 2014, 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

11 December 2014

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.

The basis of preparation for the previous year's accounts (2012/13) was the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities 2005. As a result, certain prior year figures have been restated to reflect the presentation required by the new SORP although the surplus and net assets remains the same.

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 £14,452,000 and net surplus of £200,000.

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 on a line by line basis.

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 2014.

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 the *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.

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 2014

	Notes	2014 £000s	2013 £000s Restated*
Income			
Tuition fees and education contracts	1	12,259	10,330
Other income	2	2,577	2,568
Investment income	3	208	195
Donations		4	6
		15,048	13,099
Expenditure			
Staff costs	4	6,069	6,158
Other operating expenditure	5	8,519	8,058
Depreciation	6	260	189
		14,848	14,405
Group surplus/(deficit) on continuing operations after depreciation of assets at valuation and before and after tax		200	(1,306)
Surplus/(deficit) for the year transferred to accumulated income in restricted funds	13	46	(84)
Group surplus/(deficit) for the year retained within general reserve		246	(1,390)

The income and expenditure account in is 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.

* See accounting policy 1a.

Consolidated statement of total recognised gains and losses

for the year ended 31 July 2014

		2014 £000s	2013 £000s Restated*
Group surplus/(deficit) on continuing operations after depreciation of assets at valuation and before and after tax		200	(1,306)
Gain on Revaluation of Property	6	306	-
Gains/(losses) on investment assets	7	58	800
Actuarial gains recognised in defined benefit pension	17	-	-
Total recognised surplus/(deficit) relating to the year		564	(506)
<hr/>			
Opening reserves and endowments		10,921	11,427
Total recognised surplus/(deficit) relating to the year		564	(506)
Closing reserves and endowments		11,485	10,921

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

* See accounting policy 1a.

Consolidated balance sheet

as at 31 July 2014

	Notes	Group		University College	
		2014 £000s	2013 £000s Restated*	2014 £000s	2013 £000s Restated*
Fixed assets					
Tangible assets	6	2,429	2,214	2,429	2,214
Investments	7	6,625	6,460	6,625	6,460
		9,054	8,674	9,054	8,674
Restricted and endowment assets					
Investments	7	1,360	1,361	1,360	1,361
Other		73	107	73	107
		1,433	1,468	1,433	1,468
Current assets					
Stock and work in progress	8	62	72	62	72
Debtors	9	1,998	2,066	1,969	2,051
Cash at bank and in hand		2,842	2,963	2,838	2,955
		4,902	5,101	4,869	5,078
Creditors: amounts falling due within one year	10	(3,758)	(4,212)	(3,725)	(4,189)
Net current assets		1,144	889	1,144	889
Total assets less current liabilities		11,631	11,031	11,631	11,031
Provision for liabilities and charges	11	(146)	(110)	(146)	(110)
Net assets excluding pension asset		11,485	10,921	11,485	10,921
Defined-benefit pension scheme asset	17	-	-	-	-
Net assets including pension asset		11,485	10,921	11,485	10,921
Represented by:					
Restricted funds	13	1,433	1,468	1,433	1,468
Reserves					
General reserve	14	10,052	9,453	10,052	9,453
Pension reserve	17	-	-	-	-
Total unrestricted funds		10,052	9,453	10,052	9,453
Total funds		11,485	10,921	11,485	10,921

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

* See accounting policy 1a.

The financial statements were approved by the board on 9 December 2014 and signed and authorised for issue on its behalf by:



Dr Paul Fisher
Chairman



Amanda Francis
Chair, Audit Committee

Consolidated cashflow statement

for the year ended 31 July 2014

	Notes	2014 £000s	2013 £000s	
Net cash inflow/(outflow) from operating activities	i	(88)	(1,819)	
Returns on investments				
Income from investment portfolio		140	145	
Interest received		68	50	
		208	195	
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets		(169)	(658)	
Payments to acquire investments		-	(2,062)	
Receipts from sales of investments		56	2,083	
		(113)	(637)	
Increase/(decrease) in cash	ii	7	(2,261)	
i Reconciliation of changes in resources to net cash outflow from operating activities				
Net incoming/(outgoing) resources before other recognised gains and losses		200	(1,306)	
Investment income		(208)	(195)	
Depreciation, profit on sale and amortisation		260	189	
Increase/(decrease) in stocks		10	-	
Net decrease/(increase) in debtors		68	(745)	
Net (decrease)/increase in creditors and provisions		(418)	238	
Net cash inflow/(outflow) from operating activities		(88)	(1,819)	
ii Analysis of net cash resources				
		2014	2013	Change in
		£000s	£000s	cash flow
Cash at bank and in hand		2,842	2,963	(121)
Restricted fund cash		73	107	(34)
Cash held with investments		2,276	2,114	162
		5,191	5,184	7

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

Notes to the financial statements

for the year ended 31 July 2014

1. Tuition fees and education contracts	2014	2013
	£000s	£000s
		Restated*
Higher Education students		
Full-time Home/EU students	706	320
Full-time International	11	11
Part-time	1,777	1,859
Financial capability qualifications	1,554	1,802
Professional and specialist qualifications	8,211	6,338
	12,259	10,330

2. Other income	2014	2013
	£000s	£000s
		Restated*
Professional and alumni services	2,080	2,152
<i>ifs</i> Proshare	420	405
Rent receivable	77	11
	2,577	2,568

3. Investment income	2014	2013
	£000s	£000s
UK equities	101	84
Overseas equities	45	20
Fixed interest	36	41
Deposits	26	50
	208	195

* See accounting policy 1a.

Notes to the financial statements

for the year ended 31 July 2014

4. Staff costs	2014	2013
	£000s	£000s
Wages, salaries and fees	5,233	5,309
Social security costs	535	547
Pension cost	301	302
	6,069	6,158

	2014	2013
	Number	Number
Average monthly number of employees calculated on the basis of full time equivalents was:		
Academic departments and support services	83	86
Professional services	22	22
Premises	6	5
Central services	38	40
	149	153

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

£110,000 - £119,999	2	2
£220,000 - £229,999	1	1
	2014	2013
	£000s	£000s
Emoluments of the Principal		
Salary	229	225

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.

5. Other operating expenditure	2014	2013
	£000s	£000s
Other operating expenses included:		Restated*
Academic departments and support services	4,322	3,654
Professional services	609	578
Premises	1,322	1,661
Central services	2,147	2,030
Restricted funds	87	61
Auditor's remuneration		
Audit fees	32	32
Other services	-	42
	8,519	8,058

* See accounting policy 1a.

Notes to the financial statements

for the year ended 31 July 2014

6. Tangible fixed assets

Group and Charity

	Freehold property £000s	Leasehold improvements £000s	Computer installation, furniture and equipment £000s	Total £000s
Cost or valuation				
At 1 August 2013	1,070	1,464	1,448	3,982
Additions	-	44	125	169
Revaluation	230	-	-	230
Disposals	-	-	(36)	(36)
At 31 July 2014	1,300	1,508	1,537	4,345
Depreciation				
At 1 August 2013	61	438	1,269	1,768
Charge for the period	15	148	97	260
Revaluation	(76)	-	-	(76)
Disposals	-	-	(36)	(36)
At 31 July 2014	-	586	1,330	1,916
Net book value				
At 31 July 2014	1,300	922	207	2,429
At 31 July 2013	1,009	1,026	179	2,214

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 2014

7. Investments	General	Restricted	2014	2013
	£000s	£000s	Total £000s	Total £000s
Investments at cost				
Managed funds				
UK equities	1,677	350	2,027	2,027
Overseas equities	1,744	375	2,119	2,135
UK fixed interest	586	188	774	774
Cash	2,043	233	2,276	2,114
	6,050	1,146	7,196	7,050

Investments at market value

Managed funds				
UK equities	2,298	547	2,845	2,778
Overseas equities	1,695	406	2,101	2,108
UK fixed interest	589	174	763	821
	4,582	1,127	5,709	5,707
Cash	2,043	233	2,276	2,114
	6,625	1,360	7,985	7,821

The movement of investments is represented by:

Carrying value (market value) at the beginning of the year	4,549	1,158	5,707	4,928
Add: additions to investments at cost	-	-	-	2,062
Less: disposals at carrying value	(14)	(42)	(56)	(2,083)
Add: net gain on revaluation	47	11	58	800
Carrying value (market value) at the end of the year	4,582	1,127	5,709	5,707

Funds were managed during the year by BlackRock Investment Managers. Fees charged by BlackRock Investment Managers are deducted from common investment funds and not charged separately to *ifs University College*. Equities and fixed-interest stocks are invested in pooled charity funds.

The Charity controls the following subsidiary undertakings in which its investment amounts to £5 (2013 £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 2014

8. Stock and work in progress	2014	2013
Group and Charity	£000s	£000s
Publications and sundry stock	62	72
	62	72

9. Debtors	Group		Charity	
	2014	2013	2014	2013
	£000s	£000s	£000s	£000s
Due within one year				
Members and trade debtors	1,388	1,529	1,370	1,528
Amount due from staff pension fund	84	72	84	72
Other debtors	20	19	20	19
Prepayments	506	446	495	432
	1,998	2,066	1,969	2,051

10. Creditors	Group		Charity	
	2014	2013	2014	2013
	£000s	£000s	£000s	£000s
		Restated*		Restated*
Trade creditors	734	833	734	830
Amounts owed to subsidiary company	-	-	264	251
Other creditors and accruals	1,250	1,622	1,250	1,622
Taxation and social security	159	191	159	191
Deferred income (note 12)	1,615	1,566	1,318	1,295
	3,758	4,212	3,725	4,189

* prior year figures for deferred income and accruals have been restated to be consistent with the current year analysis.

11. Provision for liabilities and charges

	Post-Retirement Healthcare £000s
Balance at 1 August 2013	110
Amounts released during the year	(6)
Discount charges for the year	5
Charged to income and expenditure account	37
Balance at 31 July 2014	146
Provision falling due within one year	6
Provision falling due after more than one year	140

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% (2013 5.0%) and a rate of increase in medical costs of 10% (2013 10%).

Notes to the financial statements

for the year ended 31 July 2014

12. Deferred income

	Balance at 01 Aug 13 £000s	Released £000s	Income £000s	Balance at 31 Jul 14 £000s
Subscriptions	601	(601)	579	579
Qualifications	550	(550)	605	605
Life subscriptions	144	(10)	-	134
Charity	1,295	(1,161)	1,184	1,318
Membership and support	271	(271)	297	297
Group	1,566	(1,432)	1,481	1,615

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	2014 Total £000s	2013 Total £000s
Income	4	7	30	-	41	38
Expenditure	(20)	(30)	(37)	-	(87)	(61)
Transfers	-	-	-	-	-	107
	(16)	(23)	(7)	-	(46)	84
Increase in market value of investments	-	4	7	-	11	150
	(16)	(19)	-	-	(35)	234
Fund balances brought forward at 1 August 2013	153	294	1,017	4	1,468	1,234
Fund balances carried forward at 31 July 2014	137	275	1,017	4	1,433	1,468
Represented by:						
Investments	28	260	1,072	-	1,360	1,361
Net current assets	109	15	(55)	4	73	107
	137	275	1,017	4	1,433	1,468

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 2014

14. Movement on general reserve

	2014 £000s	2013 £000s
Fund balances brought forward at 1 August 2013	9,453	10,193
Surplus/(deficit) for the year	246	(1,390)
Revaluation Gain	306	-
Increase in market value of investments	47	650
Fund balances carried forward at 31 July 2014	10,052	9,453

15. Commitments

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

	2014		2013	
	Land & Buildings £000's	Other £000's	Land & Buildings £000's	Other £000's
Operating leases which expire in				
less than one year	-	8	-	4
two to five years	27	44	27	54
over five years	854	-	854	-

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 2014

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 2014 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 2015 are expected to be £nil.

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

	2014	2013
Pension increases pre 2006 excess over GMP	2.5%	2.5%
Pension increases post 2006 pension	2.5%	2.5%
Discount rate	4.2%	4.5%
CPI inflation assumption	2.5%	2.5%
Assumed life expectancies on retirement at age 60 are:		
Retiring today		
Males	27.4	27.4
Females	29.1	29.0
Retiring in 20 years time		
Males	29.0	29.0
Females	30.7	30.6

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 14	Value at 31 Jul 14 £000s	Long term rate of return expected at 31 Jul 14	Value at 31 Jul 13 £000s
Equities	6.40%	-	6.40%	2,663
Bonds	3.80%	-	3.80%	11,921
Other	5.30%	-	5.30%	14,604
Cash	3.40%	-	3.40%	5,665
Investment fund	6.30%	19,426	0.00%	-
Matching fund	3.30%	16,136	0.00%	-
Fair value of plan assets		35,562		34,853

	2014 £000s	2013 £000s
The actual return on assets over the period was:	2,070	3,417

The amount recognised in the balance sheet are as follows:

Present value of scheme liabilities	(33,437)	(31,604)
Fair value of scheme assets	35,562	34,853
Net asset	2,125	3,249
Pension scheme surplus not recognised	(2,125)	(3,249)

Notes to the financial statements

for the year ended 31 July 2014

	2014 £000s	2013 £000s
Reconciliation of opening and closing balances of the present value of the scheme liabilities		
Liabilities at the beginning of the year	31,604	29,642
Interest cost	1,392	1,164
Actuarial gain	1,802	1,900
Benefits paid	(1,361)	(1,102)
Liabilities at the end of year	33,437	31,604

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

Fair value of scheme assets at beginning of year	34,853	32,538
Expected return on scheme assets	1,559	1,450
Actuarial gain	511	1,967
Benefits paid	(1,361)	(1,102)
Fair value of scheme assets at end of year	35,562	34,853

Analysis of amount recognised in statement of financial activities

Actuarial gain/losses	(1,291)	67
Impact of surplus restriction	167	286
Restriction on expected return on assets due to paragraph 67 (c)	1,124	(353)
Total	-	-

Analysis of the amount charged to resources expended

Expected return on pension scheme assets	1,559	1,450
Restriction on expected return on assets due to paragraph 67 (c)	(167)	(286)
Interest on pension scheme liabilities	(1,392)	(1,164)
Net return	-	-

History of scheme assets, obligations and experience adjustments

	As at 31 Jul 14 £000s	As at 31 Jul 13 £000s	As at 31 Jul 12 £000s	As at 31 Jul 11 £000s	As at 31 Jul 10 £000s
Present value of scheme liabilities	33,437	31,604	29,642	29,753	31,558
Fair value of scheme assets	35,562	34,853	32,538	30,945	27,862
Irrecoverable surplus/(deficit) in the scheme	2,125	3,249	2,896	1,192	(3,696)
Total adjustments arising on scheme liabilities	(1,802)	(1,900)	627	2,646	(2,526)
Total adjustment item as a percentage of scheme liabilities	-5.4%	-6.0%	2.1%	8.9%	-8.0%
Experience adjustments arising on scheme liabilities	(127)	(198)	142	1,434	319
Experience item as a percentage of scheme liabilities	-0.4%	-0.6%	0.5%	4.8%	1.0%
Changes in assumptions underlying the scheme liabilities	(1,675)	(1,702)	485	1,212	(2,845)
Changes in assumptions as a percentage of scheme liabilities	-5.0%	-5.4%	1.6%	4.1%	-9.0%
Experience adjustments arising on scheme assets	511	1,967	925	2,282	1,653
Experience item as a percentage of scheme assets	1.4%	5.6%	2.8%	7.4%	5.9%
Cumulative actuarial gain/(loss) shown in the Statement of Financial Activities	2,077	3,201	2,848	1,144	(3,784)

ifs University College is a registered charity incorporated by Royal Charter and has a remit to provide the financial services industry with a skilled and competent workforce while also promoting a better understanding of finance amongst consumers.

ifs University College is the only specialist financial education body that is able to award its own taught degrees, a status that reflects the quality of all its programmes. Its financial capability, regulatory 'licences to practise' and higher professional qualifications are directly informed in terms of content and learning experience by the needs of those it exists to educate. They bridge the academic/vocational divide to provide students with essential practical skills and the conceptual and analytical abilities of academic study.

It is this unique and innovative approach that makes *ifs University College* the provider of choice for organisations and individuals seeking to improve knowledge, skills and career prospects in the area of finance and financial services

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