

**The London Institute  
of Banking & Finance**

# Annual Report & Accounts 2015 – 2016

**The London Institute of Banking & Finance** (formerly *ifs* University College)



# Report of the Board of Governors

**Since its foundation in 1879, the organisation's exams have been judged to be the best test of professional competence, with industry relevance underpinned by academic rigour.**

Today, The London Institute of Banking & Finance provides a wide range of programmes and qualifications for those who work or aspire to work within the banking industry. At any one time over 40,000 students in 70 countries are studying for one of our qualifications.

This year, working in close collaboration with the banking industry, we have developed a new suite of professional banking qualifications, which offer students and corporates more choice and greater flexibility. We will launch these in autumn 2016. We have also developed new specialist qualifications for those working in asset finance and payments, again working in partnership with corporates and industry bodies.

Significant improvements have been carried out this year to the facilities in the Lovat Lane campus, including a new Library equipped with the latest technology that provides a flexible space for private or group study. A new Careers and Employability Centre has also been created.

We have recruited two senior members of faculty this year, to lead our academic community and to oversee enhancements both to our degree programmes and to the student experience.

Earlier this year we launched a new e-learning programme, Lessons in Financial Education (LiFE), as part of our financial capability work. LiFE supports those schools that find it difficult to accommodate financial education within the curriculum, and also allows other vulnerable sections of the community to access this content.

Following extensive consultation with our members, students and corporate clients, the Board of Trustees of ifs University College decided to change the name of the organisation to The London Institute of Banking & Finance. The Privy Council approved the new name in spring 2016, and the change comes into effect at the beginning of the academic year 2016/17. The new name better reflects the range of our activities and services and will support our vision to be an internationally recognised organisation delivering outstanding financial education.

Throughout this report we will refer to the name as being The London Institute of Banking & Finance (formerly *ifs University College*).

# Corporate and Professional Qualifications

## Business performance

Corporate and Professional Qualifications (CPQ) offer a range of professional qualifications to the banking and finance sector including mortgage advice, trade finance, financial advice and banking conduct. The value of this diverse qualification portfolio was demonstrated by the variance in registration trends seen across sectors of the corporate market in the financial year.

A buoyant housing market supported registrations for the Certificate in Mortgage Advice and Practice (CeMAP®), the market-leading qualification for those seeking a 'licence to practise' as a mortgage adviser. Growth was seen in registrations for financial advice qualifications and, with a number of banks signalling a return to financial advice provision, this is expected to continue. Our qualifications in trade finance, which are developed with and endorsed by the International Chamber of Commerce (ICC), also saw annual registration growth, supporting the appointment of further trade relationship managers to expand our international activity. In contrast, registrations for the portfolio of conduct qualifications were below expectations and the part-time higher education (HE) qualifications offered to the corporate market continued to fall in registrations.

The outlook is of an increasing regulatory environment and a strengthening corporate recognition of the importance of skilled and competent staff within the context of budgetary constraints and reduced recruitment levels.

## Programme development

To maintain a leading position in a competitive and challenging market, a programme of qualification development and enhancement has been undertaken throughout the year.

Newly introduced qualifications addressing pension transfers, debt collection and regulatory environment supervision gained solid market interest and encouraging registrations. In May, a House of Commons event for the newly launched Certificate for Automotive Finance Specialists (CertAutoFS) was held by the Finance & Leasing Association. The development of further new specialist qualifications continued across the payments, asset finance and credit union sectors with the close involvement and support of relevant industry bodies.

The development of a revised professional qualifications framework, closely aligned to customer needs and market expectations, progressed in consultation with a broad range of stakeholders. A transition project was started to replace the existing provision of part-time HE qualifications ahead of the formal launch later in the year of a new qualifications framework for professionals in the banking and finance sector. This will be in the context of a high degree of client loyalty, recognition of the quality of our provision and a strong relationship management approach.

A leading role was maintained in supporting the development of new apprenticeship standards for the banking and finance sector, and we hosted a number of Trailblazer meetings. Work was also undertaken to respond to the opportunities presented by the lowering of the eligibility age for Advanced Learner Loans.

## International business activity

Participation in the UK Trade & Investment (UKTI)-sponsored 'Education is GREAT' mission to China provided a number of potential business opportunities and consolidated existing international relationships. We were awarded a mandate to provide consultancy support for the establishment of a Caribbean Centre of Excellence for Financial Services. Further opportunities are progressing for delivery of qualifications, building on established relationships in Malta, Singapore and Mauritius.

A new role of International Director was established to build and implement a broad strategy for business development from international markets. In support, we were elected a member of the European Banking & Financial Services Training Association (EBTN) in June.

## Organisational development

A programme of work commenced to meet Ofqual's requirements for transition by December 2017 to the new Regulated Qualifications Framework (RQF), which has replaced the Qualifications and Credit Framework (QCF).

Senior-level meetings were held with the Banking Standards Board (BSB), with us contributing to the research project commissioned by the BSB and undertaken by the University of Leeds. A prestige lecture was delivered by Dame Colette Bowe (Chair, BSB) to our members in April.

# Degree Programmes

## Recruitment

Following a competitive recruitment and clearing process, students who enrolled on the BSc (Hons) Finance Investment and Risk and the BSc (Hons) Banking Practice and Management programmes in September 2015 have maintained the entry standards. Student enrolment on the BSc (Hons) Finance and Accounting for Financial Services were slightly lower than previous years and it was approved that this programme would no longer be offered to new students.

There was an increase in the number of module registrations for the undergraduate (UG) part-time programme in May for new students. With the introduction of the new CPQ portfolio, it was approved that this programme in its existing format will no longer be open for any new cohorts. Current UG part-time students will be offered an option to transfer to the new CPQ programme.

Recruitment to the online MSc Banking Practice and Management this year is the highest since 2013. All students are employed in the financial services sector; the majority of the cohort is UK-based but it also includes individuals from Africa, Europe and the Middle East.

Validated in January 2015, the Postgraduate Certificate in Teaching Financial Capability (PGCTFC) programme commenced with ten participants in September 2016. These participants are mostly school teachers already in employment.

A major priority has been to co-ordinate work to improve our Higher Education (HE) student recruitment and enrolment performance. We have established a recruitment working group that includes staff from marketing, schools, careers, student engagement and programme teams to take a holistic approach in monitoring the challenges of HE recruitment. The group developed a schedule of

activities to engage with applicants throughout this process while taking responsibility for new and ongoing events, including Applicants Day and Re-Trader Student event.

Review and decision-making on undergraduate (UG) applications is now managed by a small panel that includes careers, schools and programme teams. The panel is able to take a holistic view of the students' achievements and fosters the relationship between us and prospective students to ensure they have access to all the facts they need to make an informed decision on their options. This rapport continues throughout the students' journey so that they feel supported and part of our community.

Students starting a Masters course from September 2016 will be able to apply for a postgraduate (PG) loan of up to £10,000. The loan, which is intended as a contribution to help with course-related costs, will be administered by the Student Loans Company. We do not expect many of our students will participate in this scheme because of the high percentage of students with corporate sponsorships.

## Graduation September 2015

The number of students completing the UG and PG programmes in 2015 have been similar to previous years with an even spread of classifications awarded.

One MSc student had a paper, based on her dissertation and co-authored with two members of our academic faculty, accepted for presentation at the British Academy of Management (BAM) Conference which took place at the University of Portsmouth in September.

## National Student Survey (NSS)

This is the first year that we have participated in the National Student Survey (NSS). This sector-wide survey, led by Ipsos MORI as subcontracted by the Higher Education Funding Council for England (HEFCE), is one of the major independent measurements in higher education institutions. When the results are received by each university, appropriate action plans are put in place set for the future to address specific areas of concern or celebrate success.

## Destinations of Leavers from Higher Education (DLHE) survey

This survey captures information on student activity after graduation. All students are asked to complete the survey six months after they complete their studies. The DLHE survey is designed and managed by the Higher Education Statistics Agency (HESA). We require 70% minimum responses for our part-time students and 80% for full-time.

## Undergraduate Programme Review Day

The annual Undergraduate Programme Review Day was held in October. The day provided an opportunity for teaching and examining teams to discuss matters that focused on the teaching and learning environment. The involvement of students in the annual monitoring process was approved by the Academic Board in the summer; therefore, Student Representatives now have a formal role in the annual monitoring and review of programmes.

## Henry Grunfeld Library

The new Henry Grunfeld Library was opened in January 2016 by Oscar Lewisohn of the Henry Grunfeld Foundation. The library complements the online KnowledgeBank by providing a flexible space for private and group study, access to a small reference collection, and experienced librarians on hand every day to assist students and staff in their teaching, learning and research. Based on students' feedback and requests, we have installed a Bloomberg terminal in the library to support the student learning experience.

## Careers and Employability

The new Careers and Employability Service is now set up on campus. The service supports students by providing confidential careers education and management services as well as internship opportunities. The Careers and Employability team deliver expert advice and guidance to help students to understand and interpret employers' requirements, with which they can match their own strengths and then successfully market themselves. Staff also develop relationships with employers and external organisations, such as the Association of Graduate Recruiters, to build on their understanding of trends and analysis of the graduate labour market.

## Employability Week

Employability Week 2015 took place from 19-23 October. The week covered events including presentations on preparing for success in the graduate selection process; encouraging students to take advantage of the internship and graduate schemes available through large financial institutions; an inspiring Future Leaders Event with a presentation by Sacha Romanovitch, newly appointed CEO of Grant Thornton UK; an assessment centre and psychometric test workshop; and the closing, fun-filled 'Pub Fizz & Quiz' allowing students the opportunity to get to know their cohorts and peers better.

## Student Feedback System

Much effort has been focused this year on reviewing our approach to student feedback, and the impact of our current turnaround time on the quality of the student experience and on the taught curriculum. A pilot programme has been launched to assist with the management of the assessment process. The IT tool will assist the professional teams to holistically monitor the workflow for each assessment and identify any delays early. Upon a successful trial period, a full launch for all modules is planned in the new academic year. We have committed to developing an academic community and we anticipate that this will have a positive impact on the quality and timeliness of student feedback.

## HE Conference 2016

We hosted the annual HE Conference, which brings students, staff and industry experts together to exchange knowledge, expertise and best practice. The 2016 event started with a pre-conference that focused on operations and process. The theme for this year's conference was 'Teaching Excellence'.

## Sustainability Challenge

A sustainability literacy test has been developed and piloted to undergraduate students. The test covers various economic, environmental and social topics, as well as financial topics aimed to gauge staff and students' understanding of sustainability. The test will qualify for continuing professional development (CPD) points and be a useful CV enhancement for any financial services professional.

## Climate Week 2016

The fifth Climate Week was held in March to raise staff awareness. This year's theme was 'Supporting your Local Community', and events included the launch of the Employee Volunteer Scheme, Sustrans results from the sustainable staff travel survey, a photo competition, a no-printing day, a sponsored abseil, a bake-off and a quiz in both offices.

## Academic Community

The new Head of Faculty will lead the academic community and build the relationship between academic and industry experts, all of whom contribute to the learning and teaching environment. The need to adapt to the rapidly changing landscape of higher education and industry means that HE programmes are constantly reviewed to meet the requirements of students and employers.

# Financial Capability & Community Outreach

**The academic year 2015/16 saw a record number of schools delivering the full range of financial capability qualifications. However, schools continue to experience difficulty in allocating time and space in the curriculum to deliver formal financial education lessons. In response to this nationwide issue, a more accessible and scalable programme of study was developed and launched in June 2016.**

Lessons in Financial Education (LiFE) is an e-learning programme that allows students to experience financial education on a 'learning by doing' basis. The programme does not rely on timetabled teaching time; students use tutor time, after-school clubs and a host of enrichment opportunities to access the learning. This has enabled large cohorts to experience financial education and achieve an accredited qualification.

The ease of access to the LiFE programme provides opportunities to more vulnerable groups, for example school refusers and those with special educational needs and disabilities (SEND), as well as to sixth-form students and the wider school community including adults.

Our GCSE, AS-level 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 among vulnerable young people. Progression to higher education is supported by the AS and A-level qualifications, which carry the maximum UCAS points.

All-Party Parliamentary Group (APPG) – Financial Education in Schools: Two Years On – Job Done?

In 2016 a further APPG inquiry was conducted into the impact and effectiveness of financial education in schools across the UK.

Building on the APPG influential 2011 report Financial Education and the Curriculum, the inquiry looked closer at how effective financial education in primary and secondary schools has been in preparing young people for the financial challenges of the modern world; the remaining barriers for young people receiving an adequate financial education; and current levels of support and guidance on financial education from industry and third-sector organisations.

The results of the inquiry were set out in the House of Commons on 23 May. The key recommendations, extracted from the report, are set out below.

## Strengthening school provision

The government should outline its support for financial education as part of its upcoming life chances strategy to help strengthen school provision. We recommend that:

1. Ofsted's Common Inspection Framework should more explicitly address the extent to which schools provide young people with financial knowledge and skills.

2. Statutory financial education should be strengthened in Mathematics and Citizenship at secondary level to better focus on real-life contexts, and extended to Mathematics at primary level. It should also form a central component of the Department for Education's action plan on improving PSHE provision, with schools also encouraged to adopt a 'whole-school' approach to financial education to maximise its impact across all year groups and subjects.

3. While good practice does exist, financial services organisations should ensure they meet the expectations of wider society by prioritising a significant amount of funding to financial education initiatives in schools. Schools should also be encouraged to utilise Pupil Premium funding to further strengthen their focus on financial skills.

## Improving teacher confidence and skillset

Teacher confidence is vital if we are to maximise the impact of statutory financial education, yet less than one in five teachers have received training in this area. We recommend that:

1. The Department for Education should embed financial education within the new Initial Teacher Training framework, and schools should be encouraged to learn and share good practice through CPD initiatives focused on financial education.
2. Schools should be encouraged by the Department for Education to appoint a financial education 'champion', ideally a member of the Senior Leadership Team, to coordinate and promote learning and training in this area. A wider national network of such 'champions' should also be introduced to help share good practice more widely.

All-Party Parliamentary Group on Financial Education for Young People (2016) Financial Education in Schools: **Two Years On – Job Done?**



We gave evidence to the enquiry that supports the key recommendations. The next steps will be engagement with the Treasury and Department for Education.

As the APPG recommendations focus on supporting teachers of financial education, our work in the area is timely. We remain unchallenged in the delivery of a qualification that prepares teachers in the subject. The PGCTFC enables individual teachers and their school/college to enhance their professional practice and demonstrate their commitment to improving the financial literacy of their students.

The Student Investor challenge is a free-to-enter competition. It provides teams of up to four students aged 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.

The winners were a team of four students from Tiffin School in Kingston, Surrey who enjoyed an all-expenses-paid educational trip to New York as well as securing £2,000 for their school.

Our research into the financial behaviour, experiences and attitudes of young people continues with the Young Persons' Money Index being produced for a third year. The evidence shows that financial education provision continues to be patchy, inconsistent and varying in effectiveness.

It is our commitment that we will continue to develop financial capability programmes that ensure all children and young people are given the financial education they deserve and require for a secure future in an ever-changing world.

## ProShare

**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 Conservative government and the 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 have been received for the Annual ProShare Awards - with the judging 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.

We are attracting new corporate members on a monthly basis (JLL, Sage, Numis, Metro Bank and ZEDRA Trust being the most recent).

The Annual ProShare Conference, held on Thursday 29 September, attracted around 275 delegates and secured sponsorship from a record-breaking 13 firms in the share-plan industry. The afternoon Keynote speech was delivered by Professor Paul Dolan. Paul is Professor of Behavioural Sciences at the London School of Economics and Political Science and recently appeared on a primetime BBC1 series on wellbeing. He specialises in developing measures of happiness and subjective wellbeing that can be used in policy and by individuals looking to be happier. He wrote the questions that are being used by the Office for National Statistics in the UK to monitor national wellbeing.

In 2016 the ProShare conference will offer over 30 breakout sessions, with case studies from many corporates including BT, Shell, Aviva, Lloyds, BAT, Vodafone, EasyJet and HSBC.

The year 2017 will undoubtedly bring challenges as the UK progresses towards departure from the EU. ProShare remains politically neutral on the EU referendum decision; our focus is on helping members stay up to date on developments and their impact on their businesses, clients, customers, employees and share-plan participants. This brings opportunities for us to strengthen and deepen relationships with our members and to attract new members, too.

# Alumni, professional services and membership

We offer a range of services and benefits designed to support the ongoing professional development of its students, members and alumni. Over the last twelve months we have made enhancements to existing services while providing a number of new opportunities.



Our very popular programme of professional networking events has continued, with highlights including a prestige lecture delivered by Dame Colette Bowe, Chair of the Banking Standards Board; and a well-attended panel debate on the potential for start-up challenger banks featuring senior representatives from Mondo, Ffrees, CivilisedBank and Tandem. A wide spectrum of regional events on career development, banking and investment advice subjects were also held in Bristol, Birmingham, Manchester and Leeds amongst other locations.

Recognising that not everyone can make these events because of work commitments or their location, and based on feedback from members, we have widened access to these events through podcasting. The podcasts have proved very popular with over 2,000 downloads in the last six months. We have also launched a series of webinars to complement our face-to-face offering. The webinars were over-subscribed in many cases and, as a result, an expanded programme will be offered in the coming year.

With the assistance of our valued partner the Centre for the Study of Financial Innovation (CSFI), our industry journal, Financial World, has continued to provide in-depth analysis of some of the industry's most high-profile issues and developments. A new look and feel for the journal will be launched later in the year to reflect the organisation's new name and branding.

Since launching last spring, the Jobs Board has become a useful resource for members and past students, and also for recruiters wanting to advertise their vacancies and attract high-quality candidates. Similarly, the use of our e-mentoring platform has grown over the year. The platform matches those seeking impartial guidance and advice on career development with more experienced practitioners who are keen to support the success of others. Both mentors and mentees find the platform helpful in supporting their development, acquiring new skills and expanding their professional networks.

As well as offering professional development activities, we play an important role in providing our members and alumni with CPD planning tools and frameworks, CPD verification services and professional recognition. This includes recertification services for holders of our Certificate in Documentary Credits (CDCS®) and Certificate for Specialists in Demand Guarantees (CSDG®) trade finance qualifications; awarding Chartered status to senior professionals; and providing Statements of Professional Standing to many thousands of retail investment advisers, underpinned by the rigorous processes required to audit and verify the CPD they have undertaken, and monitor adherence to high professional standards.

In the last twelve months we have undertaken a significant review of the CDCS® and CSDG® recertification requirements and process. This has led to the development of a new framework that is better aligned to the

development needs of the international trade finance community in terms of the number of hours and type of CPD required. Another key activity in the past year has been adapting our systems to accommodate the needs of advisers and firms falling within the scope of the Financial Conduct Authority's (FCA) Individual Accountability Regime; we were able to assist those impacted in making the transition with minimal disruption.

In the coming year, with increasing numbers of graduates from our full-time programmes entering the workplace, a key priority is the further development of our alumni proposition. It is vital that we foster long-term relationships with our alumni and provide them with lifelong support in pursuing their career goals.

We also intend to start implementing the outcomes of a substantial membership review carried out in the spring. This will see the existing offer complemented by a range of new networking, career development and knowledge services and more flexibility in how members of our community can access them. The new offer will have the concept of lifelong learning at its core and will be specifically designed to support the new corporate qualifications framework being launched in September.



# Financial review – results for the year ended 31 July 2016

As an educational charity incorporated under Royal Charter, The London Institute of Banking & Finance uses all its income to advance education about financial services both for the sector and for the public at large.

We receive a variety of tax exemptions on our educational activities and on its investment income and gains. We are 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 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 Loans Company.

It is supported in its activities by its wholly owned subsidiaries, *ifs ProShare* Limited, which provides a voice for the Employee Share Ownership (ESO) industry acting as an essential point of liaison between ESO professionals, service providers and companies committed to, and involved in, employee share plans and other share ownership schemes, as well as *ifs Learning* Limited whose main activities encompass sponsorship and events.

Total income for the year of £14.0m compares with previous period of £13.67m. The overall number of students on full-time or postgraduate degree courses remained largely unchanged, however, demand for part-time undergraduate banking degrees continued to reduce ahead of the launch of the new Professional Qualifications Framework in 2015/16.

Demand for regulatory qualifications in mortgage advice, financial advice and trade finance continued to increase and in addition, there was an increase in revenue from specialist qualifications notably in debit collection, pension transfers and automotive finance.

There was an increase in income from Financial Capability qualifications driven by increases in registrations for level 2 qualifications and the number of schools topping 500 for the first time.

The deficit of £1.60m was in line with the strategic plan and below prior year. This included one-off spending of £436,000 in respect of the refurbishment of the Canterbury premises as well £269,000 on strategic projects which included the name change and re-branding.

## Investments

At 31 July 2016, we held fixed-asset investments with a market value of £5.395m (compared with £7.41m in 2015) following a withdrawal of £2.25m to support strategic and refurbishment projects.

The Trustees, through the Leadership Group, delegate the discretionary powers of management of our fixed-asset investments to investment manager Rathbones.

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

Our bank balances are held in cash funds managed by BlackRock, which aims to reflect London Interbank Bid (LIBID) seven-day rates; and in a range of fixed-term deposits with Barclays.

## Reserves

We aim to maintain a level of reserves that would enable us to fulfil our future commitment to existing alumni and students, notwithstanding unforeseen adverse events. The key performance indicator, a target range for the appropriate quantum of reserves, is currently estimated to be one year's operating costs in respect of alumni services, plus between one and two years' operating expenditure relevant to the provision of qualification services.

Current free reserves, which is consolidated unrestricted income and expenditure reserves less tangible non-current assets, decreased from £5.953m to £4.644m. The reduction was to support a variety of strategic projects, including the name and branding change, as well as the completion of 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 we continue to make strategic investments.

## Financial outlook and future plans

To ensure we have a sound financial base and are well resourced to meet the challenges and opportunities we face. The long-term strategic plan contains key performance indicators on the level of operating surplus (excluding strategic investments) which we should generate each year, broadly 5-10% of revenue. The budget for 2016/17 is based on achieving a break-even operating position with the achievement of the key performance target set at being achieving in the 2018/19 financial year.

This is supported by a range of initiatives including the launch of the new Professional Qualifications Framework which will see a number of modules replacing the existing part-time qualification as well as the launch of a number of new specialist and regulatory qualification such as the CeMAP® Diploma, asset finance, payments and credit unions).

In addition, we continue to build a network of international partnerships that will enable our new brand to be globally recognised and to place an international dimension at the heart of our staff and student community. Opportunities are currently being explored and established in Asia, Africa and South America.

Our Lessons in Financial Education (LiFE), an e-learning programme that allows students to experience financial education on a 'learning by doing' basis, has been launched and the ease of access will enable more opportunities to deliver financial education.

## Principal risks and uncertainties

We have classified our identified risks into strategic and operational areas. Strategic risks are described as those mainly in the external market and environment over which we have 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 our future strategic direction.

Over the past few years we have faced significant risks from external factors, mainly political, which are difficult to control, most notably in the schools market but also within 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 as 'alternative', which includes The London Institute of Banking & Finance.

The key principal risks that have been identified include relationships with overseas partners, particularly in the area of trade finance where there is a longstanding relationship with the ICC; as well as the requirement for banking staff to complete training and qualifications in a shorter period of time, thus affecting demand for undergraduate banking degrees. In addition, there are risks associated with undertaking a fairly substantial change management programme, including the change of name and brand.

A range of mitigating factors are in place, including a comprehensive scrutiny process for any new and existing partners, focussing on academic quality as well as financial sustainability, the launch of a new corporate and professional qualifications framework to replace the part-time offering and a range of briefings and engagement on the new brand and the strategy.

Operational risks relate primarily to our day-to-day running. These are more likely to be within our control, in terms of our ability to affect the probability of the risk occurring and to mitigate the impact.

Key operational risks have been identified in five overarching categories:

- 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 us and our stakeholders if the risk did occur. Mitigating activities are documented for each risk and the current status noted.

The Board and management continue to maintain close oversight of the risks we face, pursuing mitigating actions as necessary.

## Equality and diversity policy statement

We are committed to creating a culture in which diversity and equality of opportunity are promoted and in which unlawful discrimination is not tolerated. We recognise 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 that values such diversity. To meet this commitment, we aim 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

The London Institute of Banking & Finance (formerly *ifs University College*)

### Charity number

297107

Incorporated in England by Royal Charter, registered number RCO00719.

### Registered office

8th Floor  
Peninsular House  
36 Monument Street  
London  
EC3R 8LJ

## Board of Governors (Trustees)

The Trustees as at 31 July 2016 are as follows:

Paul Fisher

### Chairman

Paul Fisher was Deputy Head of the Prudential Regulation Authority (PRA) until July 2016.

He was a member of the Monetary Policy Committee (2009-2014) and the Financial Policy Committee (2011-2013), and he became a PRA Board member on 1 September 2015. He joined the Bank of England in 1990 and was part of the Bank's senior team from 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 climate change, business cycles and exchange rates. He achieved his PhD in macroeconomic modelling at the University of Warwick in 1990 and is a Senior Associate of the Cambridge Institute for Sustainability Leadership.

Alex Fraser

Peter Bishop

Moorad Choudhry

Wendy Chowne

James Devlin

Christopher Egerton-Warburton

Amanda Francis

Catharine French

David Kennedy (appointed September 2015)

Simon Lloyd

Saajid Patel *Student Representative*

(appointed June 2016)

Ian Stuart (appointed June 2016)

Carol Vielba

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

Kim Cramphorn (resigned March 2016)

David Nicholson (resigned December 2015)

Alastair Tyler (resigned June 2016)

## Audit Committee

Amanda Francis (Chair)

Alastair Tyler (resigned July 2016)

Maria Vetrone (external member)

## Remuneration and Nominations Committee

Paul Fisher (Chair)

Prof Ruth Farwell

Amanda Francis

Simon Lloyd

David Nicholson

## Academic Board

Board members and external members of the committee are:

Alex Fraser (Chair)

Rachel Banfield

Dot Carrier

Wendy Chowne

Martin Day

Warwick Funnell

Tony Gandy

Tim Jones

Allison McNeill

Keith Pond

Hema Tank

Annabel Todd *Student Representative*

Carolina Valiente

Michael Wandby *Student Representative*

Damian Ward

Suellen White

John Wilson

## Members of the Leadership group



**Chief Executive**  
Alex Fraser



**Head of Faculty**  
Maria Carapeto



**Managing Director, Corporate and Professional Qualifications**  
Martin Day



**Dean, Henry Grunfeld Professor of Banking**  
Peter Hahn



**Chief Operating Officer**  
Ian Parrett



**Managing Director, Financial Capability and Community Outreach**  
Alison Pask



**Associate Dean, Degree Programmes**  
Hema Tank



**International Director**  
Alastair Tyler



**Associate Dean, Quality, Policy and Regulation**  
Suellen White

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## Principal advisers

### Bankers

Barclays Bank plc  
9 St George's Street  
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### Solicitors

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### External Auditor

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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

The Report of the Board of Governors was approved by the Board of Governors on 23 November 2016 and signed for and on their behalf by

Paul Fisher  
Chairman

# Statement of Corporate Governance

## Structure, governance and management

The governing body of The London Institute of Banking & Finance is the Board of Governors, which comprises the Chair, the Chief Executive 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 we fulfil our object as stated below. In addition, the members of the Board of Governors are the Trustees of the charity.

## Corporate governance

We have 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 we have decided to adopt it. We also take into account the Guide for Members of Higher Education Governing Bodies in the UK published by the Committee of University Chairs.

## Constitution

The London Institute of Banking & Finance was established in 1879 as the Institute of Bankers and has latterly used the working names Institute of Financial Services, ifs School of Finance and ifs University College. 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, July 2010 and September 2016. These included formally changing the name and changes to the governance.

## Charter

The Charter sets out our objects and powers. It requires us to establish a Board of Governors who are the Trustees, and an Academic Board.

The object for which we are 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 our strategic academic and educational direction 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 UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of our state of affairs, 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 judgements 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 our transactions and disclose with reasonable accuracy at any time our financial position and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of our Charter and Statutes. They are also responsible for safeguarding our assets 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 our 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 our operational aspects, 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 our business, ensuring that we are well connected with our 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 Chief Executive leading the management team. The Chief Executive is our academic and executive head 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 Chief Executive. These sessions provide Governors with an insight into our workings, nature and its Board; our strategic objectives, and their personal responsibilities as Governors.

In addition, opportunities are provided to meet other members of staff engaged in our activities, 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 our supreme academic authority 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 Chief Executive 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 our academic awards, two representatives of the student body, and one elected member of staff are 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;
- approve courses and programmes of study leading to academic awards and all significant amendments or discontinuance;
- regulate all instruction, teaching and research;
- prescribe the criteria, procedures and guidelines for the assurance and the quality and standards of all courses and programmes of study and research;
- 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 give an accurate account of our 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 our 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.

The Terms of Reference require the Committee to have no fewer than three members and the recruitment of an additional member to replace Alastair Tyler, who resigned in July 2016, is underway.

## **Academic Audit Committee**

The Academic Audit Committee's responsibility is to assess the effectiveness of all aspects of 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 it 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 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 us. 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 our Regulated Advice, Specialist and Financial Capability awards 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 Chief Executive and Chairs of Committees.

The Committee determines and approves a framework and consistent policy for us on remuneration and pension arrangements. It is specifically responsible for setting the terms of service of the Chief Executive 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 our achievement, aims and objectives. Such a system 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 Chief Executive, to the rest of the organisation. As part of its risk-management process:

- we operate 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 our 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.

Our 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 11, 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 23 November 2016 and signed for and on their behalf by



Paul Fisher  
Chairman



Alex Fraser  
Chief Executive

# Auditor's Report

## Independent Auditor's Report to the Board of Governors of The London Institute of Banking & Finance

We have audited the financial statements of The London Institute of Banking & Finance for the year ended 31 July 2016 which comprise the consolidated and Institute statement of comprehensive income and expenditure, the consolidated and Institute statement of changes in reserves, the consolidated and Institute balance sheets, the consolidated statement of cash flows and the accounting policies and 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) including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to The London Institute of Banking & Finance's governors, as a body, in accordance with Section 154 of the Charities Act 2011 and The London Institute of Banking & Finance's Charter and Statutes. Our audit work has been undertaken so that we might state to The London Institute of Banking & Finance'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 The London Institute of Banking & Finance 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 13 and 14, 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 The London Institute of Banking & Finance's affairs as at 31 July 2016, 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 properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education published in March 2014 and 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

*Grant Thornton UK LLP*

23 November 2016

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

The London Institute of Banking & Finance (formerly *ifs University College*) is a Registered Charity and incorporated by Royal Charter in England and Wales.

## 1. Accounting policies

### a) Basis of preparation

We are preparing our financial statements in accordance with FRS102 for the first time and consequently have applied the first-time adoption requirements.

The financial statements have been prepared under the historical cost convention, modified by the revaluation of investments and certain tangible assets. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): accounting for further and higher education 2015, and in accordance with Financial Reporting Standard FRS102. We are a public benefit entity and have therefore applied the relevant public benefit requirements of FRS102. The functional currency is £ sterling.

The financial statements are prepared on a going-concern basis. Our business activities, current financial position and the factors likely to affect our future development are set out in the Report of the Board of Governors. We have no borrowings and significant investment reserves with the budget for 2016-17 also indicating the achievement of an operational Surplus. Investments in capital and other strategic projects are carefully reviewed and the Governors only undertake such investments with the knowledge that the Institute will remain solvent, and are likely to add value as a result of the investment. The Governors are satisfied that the Institute has adequate resources to continue in operation for the foreseeable future, and for this reason the governors consider that the accounts of the Institute should be prepared on a going concern basis.

### b) Basis of consolidation

The consolidated financial statements combine our financial statements and its subsidiary undertakings. Further details of the subsidiary undertakings are disclosed in the notes to the accounts.

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 2016 and the group does not have any control over their governance.

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) 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 income and expenditure when we are legally entitled to the income and the amount can be quantified with reasonable accuracy. Any amounts received in advance are included within deferred income.

Gift aid is recognised as a distribution at the point that a specific obligation has been created.

## **d) Accounting for retirement benefits**

We operate a funded defined benefit scheme, the assets of which are held in a specific trust separately from those of The London Institute of Banking & Finance. Contributions to the scheme are charged to the statement of financial activities so as to spread the cost evenly over employees' working lives with us. 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.

We also operate a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the statement of comprehensive income and expenditure in the year to which they relate. These contributions are invested separately from the charity's assets in an independently administered fund.

## **e) 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.

## **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 of the lease. Transitional arrangements have been applied to those lease incentives already in place at the time of transition.

## **g) 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 statement of comprehensive income and expenditure as they arise.

## **h) 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 cost 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.

## **i) 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.

## **j) Stock and work in progress**

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

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

## **k) Cash and cash equivalents**

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.

## **l) Taxation**

We are an exempt charity within the meaning of the Charities Act 2011 and, as such, are a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act 1988. Accordingly, we are potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the Income and Corporation Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. We receive 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 us and tax is provided for to the extent that trading profits exceed the amounts formally committed to in the year.

## **m) Reserves**

General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of our general objectives 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 us for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

## Consolidated and institute statement of comprehensive income and expenditure for the year ended 31 July 2016

	Notes	Year ended 31 July 2016		Year ended 31 July 2015	
		Consolidated £000s	Institute £000s	Consolidated £000s	Institute £000s
<b>Income</b>					
Tuition fees and education contracts	1	11,195	11,195	10,784	10,784
Other income	2	2,598	2,505	2,665	2,462
Investment income	3	201	257	208	382
Donations		2	2	14	14
<b>Total income</b>		<b>13,996</b>	<b>13,959</b>	13,671	13,642
<b>Expenditure</b>					
Staff costs	4	6,614	6,614	6,273	6,273
Other operating expenditure	5	9,186	9,149	9,052	9,023
Depreciation	6	272	272	278	278
<b>Total expenditure</b>		<b>16,072</b>	<b>16,035</b>	15,603	15,574
<b>(Deficit) before other gains losses and share of operating (deficit)/surplus of joint ventures and associates</b>		<b>(2,076)</b>	<b>(2,076)</b>	(1,932)	(1,932)
Gains on investment assets	7	473	473	308	308
<b>Unrealised (deficit) for the year</b>		<b>(1,603)</b>	<b>(1,603)</b>	(1,624)	(1,624)
<b>Total comprehensive income for the year</b>		<b>(1,603)</b>	<b>(1,603)</b>	(1,624)	(1,624)
Represented by:					
Restricted comprehensive income for the year		(129)	(129)	7	7
Unrestricted comprehensive income for the year		(1,474)	(1,474)	(1,631)	(1,631)
		<b>(1,603)</b>	<b>(1,603)</b>	(1,624)	(1,624)

All items of income and expenditure relate to continuing activities.

## Consolidated and institute statement of changes in reserves for the year ended 31 July 2016

<b>Consolidated</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>
<b>Balance at 1 August 2015</b>	1,433	10,052	<b>11,485</b>
Surplus/(deficit) from the income and expenditure account	7	(1,631)	<b>(1,624)</b>
	7	(1,631)	<b>(1,624)</b>
<b>Balance at 1 August 2016</b>	1,440	8,421	<b>9,861</b>
Surplus/(deficit) from the income and expenditure account	(129)	(1,474)	<b>(1,603)</b>
<b>Total comprehensive income for the year</b>	(129)	(1,474)	<b>(1,603)</b>
<b>Balance at 31 July 2016</b>	1,311	6,947	<b>8,258</b>

  

<b>Institute</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>
<b>Balance at 1 August 2015</b>	1,433	10,052	<b>11,485</b>
Surplus/(deficit) from the income and expenditure account	7	(1,631)	<b>(1,624)</b>
	7	(1,631)	<b>(1,624)</b>
<b>Balance at 1 August 2016</b>	1,440	8,421	<b>9,861</b>
Surplus/(deficit) from the income and expenditure account	(129)	(1,474)	<b>(1,603)</b>
<b>Total comprehensive income for the year</b>	(129)	(1,474)	<b>(1,603)</b>
<b>Balance at 31 July 2016</b>	1,311	6,947	<b>8,258</b>

## Consolidated and institute balance sheets

as at 31 July 2016

	Notes	As at 31 July 2016		As at 31 July 2015	
		Consolidated £000s	Institute £000s	Consolidated £000s	Institute £000s
<b>Non-current assets</b>					
Tangible assets	6	2,303	2,303	2,468	2,468
Investments	7	5,395	5,395	7,410	7,410
		<b>7,698</b>	<b>7,698</b>	9,878	9,878
<b>Current assets</b>					
Stock and work in progress	8	50	50	91	91
Trade and other receivables	9	2,066	1,999	1,834	1,809
Cash at bank and in hand		3,704	3,686	2,254	2,249
		<b>5,820</b>	<b>5,735</b>	4,179	4,149
<b>Creditors: amounts falling due within one year</b>	10	<b>(5,153)</b>	<b>(5,068)</b>	(4,063)	(4,033)
<b>Net current assets</b>		<b>667</b>	<b>667</b>	116	116
<b>Total assets less current liabilities</b>		<b>8,365</b>	<b>8,365</b>	9,994	9,994
<b>Provisions</b>					
Pension provisions	19	-	-	-	-
Other provisions	11	(107)	(107)	(133)	(133)
<b>Total net assets</b>		<b>8,258</b>	<b>8,258</b>	9,861	9,861
<b>Restricted funds</b>					
Income and expenditure reserve - restricted	13	1,311	1,311	1,440	1,440
<b>Unrestricted reserves</b>					
Income and expenditure reserve - unrestricted		6,947	6,947	8,421	8,421
Pension reserve	17	-	-	-	-
		<b>6,947</b>	<b>6,947</b>	8,421	8,421
<b>Total Reserves</b>		<b>8,258</b>	<b>8,258</b>	9,861	9,861

The financial statements were approved by the board on 23 November 2016 and signed on its behalf on that date by:



Dr Paul Fisher  
Chairman



Alex Fraser  
Chief Executive



## Consolidated statement of cash flows

for the year ended 31 July 2016

	Notes	2016 £000s	2015 £000s
<b>Cash flow from operating activities</b>			
(Deficit) for the year		<b>(1,603)</b>	(1,624)
<b>Adjustment for non-cash items</b>			
Losses on investments and property		<b>(473)</b>	(308)
Investment income		<b>(201)</b>	(208)
Depreciation, profit on sale and amortisation		<b>272</b>	278
Increase/(decrease) in stocks		<b>41</b>	(29)
Net (increase)/decrease in debtors		<b>(232)</b>	164
Net increase in creditors and provisions		<b>1,064</b>	292
<b>Net outflow from operating activities</b>		<b>(1,132)</b>	(1,435)
<b>Cash flows from investing activities</b>			
Investment income		<b>201</b>	208
Payments to acquire tangible fixed assets		<b>(107)</b>	(317)
Payments to acquire investments		<b>(3,364)</b>	(5,425)
Receipts from sales of investments		<b>5,315</b>	4,610
		<b>2,045</b>	(924)
<b>Increase/(decrease) in cash and cash equivalents in the year</b>	14	<b>913</b>	(2,359)
Cash and cash equivalents at the beginning of the year		<b>2,832</b>	5,191
Cash and cash equivalents at the end of the year		<b>3,745</b>	2,832

## Notes to the financial statements

### for the year ended 31 July 2016

<b>1. Tuition fees and education contracts</b>	<b>2016 Consolidated £000s</b>	<b>2016 Institute £000s</b>	2015 Consolidated £000s	2015 Institute £000s
Higher Education students				
Full-time Home/EU students	824	824	828	828
Full-time International	6	6	11	11
Part-time	837	837	1,271	1,271
Financial capability qualifications	1,506	1,506	1,410	1,410
Professional and specialist qualifications	8,022	8,022	7,264	7,264
	<b>11,195</b>	<b>11,195</b>	10,784	10,784

<b>2. Other income</b>	<b>2016 Consolidated £000s</b>	<b>2016 Institute £000s</b>	2015 Consolidated £000s	2015 Institute £000s
Professional and alumni services	2,016	1,899	2,084	1,962
ProShare	426	-	447	-
Rent receivable	156	-	134	-
Management charges	-	606	-	500
	<b>2,598</b>	<b>2,505</b>	2,665	2,462

<b>3. Investment income</b>	<b>2016 Consolidated £000s</b>	<b>2016 Institute £000s</b>	2015 Consolidated £000s	2015 Institute £000s
UK equities	111	111	81	81
Overseas equities	36	36	67	67
Fixed interest	31	31	36	36
Alternatives	16	16	2	2
Deposits	7	7	22	22
Gift aid	-	56	-	174
	<b>201</b>	<b>257</b>	208	382

## Notes to the financial statements

### for the year ended 31 July 2016

<b>4. Staff costs</b>	<b>2016</b>	2015
Group and Institute	<b>£000s</b>	£000s
Wages, salaries and fees	<b>5,699</b>	5,402
Social security costs	<b>568</b>	541
Pension cost	<b>347</b>	330
	<b>6,614</b>	6,273

Emoluments of the Chief Executive		
Gavin Shreeve (to Feb 2015)	-	122
Alex Fraser (from Feb 2015)	<b>186</b>	84

Pension costs of the Chief Executive		
Gavin Shreeve (to Feb 2015)	-	-
Alex Fraser (from Feb 2015)	<b>15</b>	7

Average monthly number of employees calculated on the basis of full time equivalents was:	<b>Number</b>	Number
Academic departments and support services	<b>83</b>	82
Professional services	<b>27</b>	25
Premises	<b>6</b>	6
Central services	<b>42</b>	39
	<b>158</b>	152

The remuneration of higher paid staff, excluding pension contributions in excess of £100,000 was:		
£110,000 - £119,999	<b>2</b>	1
£120,000 - £129,999	-	1
£180,000 - £189,999	<b>1</b>	-

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the organisation. This includes the Chief Executive and members of the Leadership Team. The total employment benefits of the key management personnel were £1,381,079 (2015 £1,237,572). No Board member has received any remuneration/waived payments from the group during the year in respect of their services to the Board.

<b>5. Other operating expenditure</b>	<b>2016</b>	<b>2016</b>	2015	2015
	<b>Consolidated</b>	<b>Institute</b>	Consolidated	Institute
<b>Other operating expenses included:</b>	<b>£000s</b>	<b>£000s</b>	£000s	£000s
Academic departments and support services	<b>4,041</b>	<b>4,004</b>	3,888	3,859
Professional services	<b>665</b>	<b>665</b>	606	606
Premises	<b>1,594</b>	<b>1,594</b>	2,147	2,147
Central services	<b>2,498</b>	<b>2,498</b>	2,283	2,283
Restricted funds	<b>338</b>	<b>338</b>	96	96
Auditor's remuneration				
External auditor's remuneration in respect of audit services	<b>35</b>	<b>35</b>	32	32
External auditor's remuneration in respect of non-audit services	<b>15</b>	<b>15</b>	-	-
	<b>9,186</b>	<b>9,149</b>	9,052	9,023

## Notes to the financial statements

### for the year ended 31 July 2016

#### 6. Tangible fixed assets

Group and Institute

	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 2015	1,300	271	1,508	1,583	4,662
Additions	-	93	2	12	107
Transfer	364	(364)	-	-	-
Disposals	-	-	-	(45)	(45)
At 31 July 2016	1,664	-	1,510	1,550	4,724
<b>Depreciation</b>					
At 1 August 2015	19	-	737	1,438	2,194
Charge for the period	25	-	151	96	272
Revaluation	-	-	-	-	-
Disposals	-	-	-	(45)	(45)
At 31 July 2016	44	-	888	1,489	2,421
<b>Net book value</b>					
At 31 July 2016	1,620	-	622	61	2,303
At 31 July 2015	1,281	271	771	145	2,468

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 2016, showing the value at £1.6m. The value of land included within freehold property is £350,000. As this is not significantly different from the net book value no adjustment has been proposed.

## Notes to the financial statements

### for the year ended 31 July 2016

	General	Restricted	2016	2015
	£000s	£000s	Total	Total
7. Non-current investments			£000s	£000s
<b>Investments at cost</b>				
Managed funds				
UK equities	1,548	440	1,988	2,530
Overseas equities	1,091	288	1,379	2,499
UK fixed interest	568	149	717	1,056
Alternatives	768	195	963	556
Cash	8	33	41	578
	3,983	1,105	5,088	7,219

<b>Investments at market value</b>				
Managed funds				
UK equities	1,563	442	2,005	2,689
Overseas equities	1,279	338	1,617	2,501
UK fixed interest	583	154	737	1,090
Alternatives	793	202	995	552
	4,218	1,136	5,354	6,832
Cash	8	33	41	578
	4,226	1,169	5,395	7,410

The movement of investments is represented by:

Carrying value (market value) at the beginning of the year	5,505	1,327	6,832	5,709
Add: additions to investments at cost	2,708	656	3,364	5,425
Less: disposals at carrying value	(4,372)	(943)	(5,315)	(4,610)
Add: net gain on revaluation	377	96	473	308
Carrying value (market value) at the end of the year	4,218	1,136	5,354	6,832

Funds were managed during the year by Rathbones. Fees are charged separately to The London Institute of Banking & Finance and deducted from the investment portfolio.

The Charity controls the following subsidiary undertakings, all incorporated in England and Wales, in which its investment amounts to £5 (2015 £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 results of the limited companies, which are incorporated into the statement of income and expenditure and balance sheet are:	<i>ifs</i> Learning Limited		<i>ifs</i> ProShare Limited	
	2016	2015	2016	2015
	£000s	£000s	£000s	£000s
Income	272	256	426	447
Expenditure	(272)	(256)	(426)	(447)
Surplus for the year	-	-	-	-
Current assets	26	22	316	149
Creditors	(26)	(22)	(316)	(149)
Total net assets	-	-	-	-

## Notes to the financial statements

### for the year ended 31 July 2016

<b>8. Stock and work in progress</b>	<b>2016</b>	2015
Group and Institute	<b>£000s</b>	£000s
Publications and sundry stock	<b>50</b>	91
	<b>50</b>	91

<b>9. Trade and other receivables</b>	<b>2016</b>	<b>2016</b>	2015	2015
	<b>Consolidated</b>	<b>Institute</b>	Consolidated	Institute
	<b>£000s</b>	<b>£000s</b>	£000s	£000s
Due within one year				
Members and trade debtors	<b>1,377</b>	<b>1,354</b>	1,144	1,125
Amount due from staff pension fund	<b>86</b>	<b>86</b>	84	84
Other debtors	<b>25</b>	<b>25</b>	33	33
Prepayments	<b>578</b>	<b>534</b>	573	567
	<b>2,066</b>	<b>1,999</b>	1,834	1,809

<b>10. Creditors: amounts falling due within one year</b>	<b>2016</b>	<b>2016</b>	2015	2015
	<b>Consolidated</b>	<b>Institute</b>	Consolidated	Institute
	<b>£000s</b>	<b>£000s</b>	£000s	£000s
Trade creditors	<b>853</b>	<b>835</b>	742	741
Amounts owed to subsidiary company	<b>-</b>	<b>236</b>	-	122
Other creditors and accruals	<b>1,752</b>	<b>1,750</b>	1,192	1,193
Taxation and social security	<b>203</b>	<b>203</b>	100	100
Deferred income (note 12)	<b>2,345</b>	<b>2,044</b>	2,029	1,877
	<b>5,153</b>	<b>5,068</b>	4,063	4,033

<b>11. Provision for liabilities</b>	Post- Retirement Healthcare £000s
Group and Institute	
Balance at 1 August 2015	<b>133</b>
Amounts released during the year	<b>(6)</b>
Discount charges for the year	<b>7</b>
Charged to income and expenditure account	<b>(27)</b>
Balance at 31 July 2016	<b>107</b>

#### Post-retirement healthcare

The London Institute of Banking & Finance 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 102 using a discount rate of 5.0% (2015 5.0%) and a rate of increase in medical costs of 10% (2015 10%).

## Notes to the financial statements

### for the year ended 31 July 2016

#### 12. Deferred income

	Balance at 1 Aug 15 £000s	Released £000s	Income £000s	Balance at 31 Jul 16 £000s
Subscriptions	553	(553)	516	516
Qualifications	1,199	(1,199)	1,413	1,413
Life subscriptions	125	(10)	-	115
Institute	1,877	(1,762)	1,929	2,044
Membership and support	152	(152)	301	301
<b>Group</b>	<b>2,029</b>	<b>(1,914)</b>	<b>2,230</b>	<b>2,345</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>2016 Total £000s</b>	2015 Total £000s
Income	<b>3</b>	<b>7</b>	<b>29</b>	-	<b>39</b>	49
Expenditure	<b>(22)</b>	<b>(40)</b>	<b>(201)</b>	-	<b>(263)</b>	(96)
Transfers	-	-	-	-	-	-
	<b>(19)</b>	<b>(33)</b>	<b>(172)</b>	-	<b>(224)</b>	(47)
Increase in market value of investments	<b>2</b>	<b>18</b>	<b>75</b>	-	<b>95</b>	54
	<b>(17)</b>	<b>(15)</b>	<b>(97)</b>	-	<b>(129)</b>	7
Fund balances brought forward at 1 August 2015	<b>141</b>	<b>265</b>	<b>1,030</b>	<b>4</b>	<b>1,440</b>	1,433
Fund balances carried forward at 31 July 2016	<b>124</b>	<b>250</b>	<b>933</b>	<b>4</b>	<b>1,311</b>	1,440
Represented by:						
Investments	<b>32</b>	<b>234</b>	<b>903</b>	-	<b>1,169</b>	1,431
Net current assets	<b>92</b>	<b>16</b>	<b>30</b>	<b>4</b>	<b>142</b>	9
	<b>124</b>	<b>250</b>	<b>933</b>	<b>4</b>	<b>1,311</b>	1,440

The Alumni and Scholarship fund gives past 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 The London Institute of Banking & Finance'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 The London Institute of Banking & Finance from the Henry Grunfeld Foundation in March 1999 on the undertaking that it 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 2016

#### 14. Reconciliation of cash flow to balance sheet

	Balance at 1 Aug 15 £000s	Cash flows £000s	Balance at 31 Jul 16 £000s
Cash at bank and in hand	2,254	1,450	<b>3,704</b>
Cash held with investments	578	(537)	<b>41</b>
	<b>2,832</b>	<b>913</b>	<b>3,745</b>

#### 15. Lease obligations

Total rentals payable under operating leases

	2016		2015	
	Land & Buildings £000s	Other £000s	Land & Buildings £000s	Other £000s
Future minimum lease payments due				
Not later than 1 year	<b>867</b>	<b>54</b>	880	44
Later than 1 year and not later than 5 years	<b>3,415</b>	<b>51</b>	3,428	68
Later than 5 years	<b>1,707</b>	-	2,561	-
Total lease payments due	<b>5,989</b>	<b>105</b>	6,869	112

#### 16. Related party transactions

The London Institute of Banking & Finance has taken advantage of the exemption available under FRS102 Related Party Transactions not to disclose transactions included within the group.

#### 17. Contingent liabilities

There are no contingent liabilities as at 31 July 2016 (2015 nil).

#### 18. Events after the reporting period

On 15 September 2016 the name of the organisation was changed from *ifs University College* to The London Institute of Banking & Finance.



## Notes to the financial statements

### for the year ended 31 July 2016

#### 19. Pension scheme

The London Institute of Banking & Finance operates two schemes, a defined contribution scheme that is available to new employees and a defined benefit scheme that closed to future accrual on 31 March 2009. Contributions to the defined benefit scheme for the year ending 31 July 2017 are expected to be £nil.

The London Institute of Banking & Finance has chosen to adopt the new standard FRS102 published in March 2013. The disclosures shown below adopt this standard for the current and the prior period and has been re-stated accordingly.

A full actuarial valuation was completed as at 31 December 2013 and the results from this valuation have been updated to 31 July 2016 by a qualified independent actuary as follows:

	2016	2015
Discount rate	2.5%	3.7%
Pension increases pre 2006 excess over GMP	2.0%	2.4%
Pension increases post 2006 pension	2.0%	2.4%
Price inflation (CPI)	2.0%	2.4%

Assumed life expectancies on retirement at age 60 are:

Retiring today	Males	27.5	27.5
	Females	29.3	29.2
Retiring in 20 years' time	Males	29.2	29.1
	Females	30.9	30.8

The assets in the scheme were:	Value at 31 Jul 16 £000s	Value at 31 Jul 15 £000s	Value at 31 Jul 14 £000s
Investment fund	22,001	21,186	19,426
Matching fund	20,694	17,411	16,136
<b>Fair value of scheme assets</b>	<b>42,695</b>	<b>38,597</b>	<b>35,562</b>

The actual return on assets over the period was:	5,179	4,226	2,070
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	2016 £000s	2015 £000s
Present value of funded obligations	(41,024)	(35,748)
Fair value of scheme assets	42,695	38,597
<b>Surplus in funded scheme</b>	<b>1,671</b>	<b>2,849</b>
Irrecoverable surplus	(1,671)	(2,849)
<b>Net liability in balance sheet</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements

### for the year ended 31 July 2016

	2016 £000s	2015 £000s
<b>Reconciliation of opening and closing balances of the present value of the defined benefit obligation</b>		
Benefit obligation at the beginning of the year	35,748	33,437
Interest cost	1,303	1,380
Actuarial gain	5,054	2,122
Benefits paid	(1,081)	(1,191)
<b>Liabilities at the end of year</b>	<b>41,024</b>	<b>35,748</b>
<b>Analysis of movement in the present value of scheme assets</b>		
Fair value of scheme assets at beginning of year	38,597	35,562
Expected return on scheme assets	1,408	1,469
Actuarial gain	3,771	2,757
Benefits paid	(1,081)	(1,191)
<b>Fair value of scheme assets at end of year</b>	<b>42,695</b>	<b>38,597</b>
<b>Analysis of amount recognised in the comprehensive income and expenditure account</b>		
Service cost - including current service cost, past service cost and settlements	-	-
Service cost - administrative cost	-	-
Net interest on the net defined benefit liability	-	-
<b>Total expense</b>	<b>-</b>	<b>-</b>
<b>Remeasurement of the net defined benefit liability/(asset) to be shown in other comprehensive income</b>		
Actuarial gains/(losses) on the liabilities	5,054	2,122
Return on assets, excluding interest income	(3,771)	(2,757)
Change in the amount of surplus that is not recoverable, excluding interest income	(1,283)	635
<b>The measurement of the net defined benefit liability/(asset) to be shown in other comprehensive income</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements

for the year ended 31 July 2016

### 20. Accounting estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

*Defined benefit scheme* – management's estimate of the scheme is based on a number of critical underlying assumptions such as rates of inflation, mortality and the investment returns of the scheme. The assumptions are reviewed annually with a qualified actuary. Variation in these assumptions may significantly impact the net valuation which is currently showing surplus of £1.671m.

*Useful lives of depreciable assets* – management reviews its estimate of the useful lives of depreciable assets at each reporting date. Uncertainties in these estimates relate to changes in the useful lives of certain software and IT hardware as well as the useful life and value of the building the Institute own. The value of the building is deemed cost as at 1 August 2015.

*Post-retirement healthcare* – management's estimate of the liability is based on assumptions about the discount rate, the rate of inflation as well as mortality. The assumptions are reviewed annually based on the prevailing marketing conditions with the current obligation valued at £107,000.

### 21. Transition to FRS102 and the new SORP

As explained in the accounting policies, these are the Institute's first financial statements prepared in accordance with FRS102 and the new SORP. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ending 31 July 2016 and the comparative information presented in these financial statements for the year ended 31 July 2015. In preparing its FRS102 financial statements the Institute has made no adjustments to the amounts reported previously in financial statements prepared in accordance with the old basis of accounting (2007 SORP).

# Annual Report & Accounts 2015 – 2016

**The London Institute of Banking & Finance** (formerly *ifs University College*)



We exist for a very simple reason – to advance banking and finance by providing outstanding education and thinking, tailored to the needs of business, individuals, and society.

Our focus is on lifelong learning; equipping individuals with the knowledge, skills and qualifications to achieve what they want throughout their career and life.

We provide a balance of experience, insight and thought leadership into today's financial world, delivered by industry leaders, thinkers and members of our community.

And because we've been at the heart of the sector since 1879, we create connections and build partnerships between people and business that make banking and finance more accessible and understood, and enhance social inclusion through better financial capability.

We are The London Institute of Banking & Finance, **lifelong partners for financial education.**