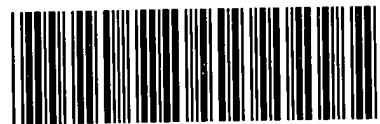


Company number: 615025
Charity number: 209425

The British Institute of International and Comparative Law

Report and financial statements
For the year ended 31 December 2015

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British Institute of International and Comparative Law

Reference and administrative information

For the year ended 31 December 2015

Company number 615025

Charity number 209425

Registered office & operational address Charles Clore House, 17 Russell Square, London WC1B 5JP

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report, were as follows:

Sir Franklin Berman KCMG QC Chair
Professor John Bell (Appointed 20 July 2015)
Sir William Blair (Retired 20 July 2015)
Gary B Born
Susan Bright (Retired 20 July 2015)
Sir Stanley Burnton
Andrea Coomber
Judith Gill QC
Philip Haberman
Sir Paul Jenkins KCB QC
Sir Francis Jacobs KCMG QC
Professor Rosa Lastra
Sir David Lloyd Jones
Paul Lomas (Retired 20 July 2015)
Iain Macleod (Appointed 20 July 2015)
Professor Dawn Oliver
Nigel Parr (Appointed 26 October 2015)
Lord Robert Reed (Appointed 20 July 2015)
Professor Malcolm Shaw QC
Van Vechten Veeder
Professor Stephen Weatherill (Retired 20 July 2015)
Andrew Whittaker

Key Management Personnel	Professor Robert McCorquodale	BIICL Director
	Patricia Ambrose	BIICL Deputy Director
	Darryl Seaman ACA	Director of Finance

Bankers CAF Bank Limited,
25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

HSBC plc,
1 Woburn Place, Russell Square, London, WC1H 0LQ

British Institute of International and Comparative Law

Reference and administrative information

For the year ended 31 December 2015

Auditors

Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

The Trustees are pleased to present their report and the audited financial statements for the year ended 2015.

Reference and administrative information set out on pages 1–2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The British Institute of International and Comparative Law (BIICL, the Institute) is an independent charitable research body. Our key purposes are to develop and advance the understanding of international and comparative law in the UK and around the world, and to promote the rule of law in national and international affairs. Through our work, we seek to improve decision-making, on law and policy issues and so have a positive impact on people's daily lives. We aim to make a unique contribution as an independent and authoritative voice on international and comparative legal issues. Our vision is to continue to be a world-leading independent research body on international and comparative law, and the rule of law by:

- providing high quality applied research based on strong conceptual foundations that influences law and policy-making; and
- promoting the application and wider dissemination of our research through publications, events and training.

BIICL is not solely funded by any one government, institution or person. Our research and other activities are supported by a wide variety of bodies, including research councils, law firms, national governments, international and regional organisations, private trusts and foundations, and non-governmental organisations. In many instances, our research projects have more than one funder.

BIICL's Strategic Plan 2013–2015 identified four strategic aims to guide and inform our work over that period, as follows:

- Strategic Aim 1: To enhance and develop further the Institute's public profile and reputation for independent and excellent research which draws upon the diverse strengths and expertise of the wider Institute community and makes a sustained impact on policy and practice.
- Strategic Aim 2: To provide a dynamic and high quality programme of events and other activities dealing with relevant and contemporary issues, and which provide clear public benefits and appeal to a diverse audience of practitioners, academics, policy-makers and others.
- Strategic Aim 3: To enhance the Institute's reputation as a respected legal publisher in the fields of international and comparative law.

Trustees' annual report

For the year ended 31 December 2015

- Strategic Aim 4: To increase the Institute's membership and enhance its reputation through effective and strategic approaches to marketing and communications.

Each aim is underpinned by a series of objectives and action points within our detailed operational plan. We also adhere to following underpinning principles: to ensure that BIICL remains a financially sustainable and well-managed organization; and to be an exemplary organization in relation to the employment and development of staff, and in the wider governance of the Institute.

The Trustees review the aims, objectives and activities of BIICL each year to ensure that they are consistent with our aims and support our public benefit mission. This report considers what BIICL has achieved during 2015 and the outcomes, impacts and benefits of our work.

Principal Activities

Membership

BIICL membership is open to all people, in both the UK and elsewhere. Our members come from: legal practice (including solicitors and barristers); academia (staff and students); the judiciary; corporations and other commercial bodies; government and non-governmental organisations; and members of the wider public who are interested in the many aspects of international and comparative law.

Members benefit from access to BIICL's research outcomes, as well as opportunities to contribute to specialist discussion groups and to network with the diverse range of people and organisations with whom we interact. The diversity of BIICL's membership, as well as the many non-members who attend our events, alongside our ability to engage with many international and comparative legal issues, ensures that BIICL remains a relevant and essential institution.

Research

BIICL conducts research across public international law, private international law, international investment law, international human rights law, comparative law, competition law, European law, and the rule of law. Our focus is primarily on practical and applied research, based on strong conceptual foundations, which offers examples of good practice, recommendations for future improvements and seeks to have an impact on law and policy. The research often crosses traditional boundaries of law, integrating private and public international law, for example, and engaging with national, regional and comparative law. Our research is always independent, irrespective of its funding source.

Events

The Institute organises an extensive public events programme covering a broad spectrum of current legal topics within the areas of our expertise. These events include full day conferences, seminars, lectures and dinners. It also convenes forums of experts in three areas (Competition Law, Investment Treaty Law and Product Liability) and has a specialist centre on the Rule of Law (the Bingham Centre for the Rule of Law).

BIICL undertakes a range of training activities to provide information and practical assistance to governments, institutions, firms, corporations, groups, individuals and others. This training occurs in the UK and around the world.

Publications

The Institute publishes in the area of international and comparative law. This includes our journal, the *International and Comparative Law Quarterly*, which is recognised as one of the leading journals in this field. BIICL also publishes a small number of books, mainly of our own research, as well as some by other experts in this area.

Volunteers

As a registered charity, BIICL offers flexible and short-term opportunities for volunteers to assist in its research and related activities. We aim to offer interesting and developmental opportunities that include training and skills development. During 2015, we benefited from the support of 69 volunteers.

Public Benefit

The Trustees confirm that they have paid due regard to the public benefit guidance published by the Charity Commission in deciding on BIICL's activities. In particular, the Trustees consider how planned activities will contribute to our aims and objectives.

BIICL considers that its activities are of public benefit in at least the following ways:

- Provision of independent research to external bodies, including governments, for the purpose of assisting these bodies to formulate public policy, such as future regulation and legislation, which can have significant benefit for people in the UK and elsewhere in the world;
- Provision of information, education and training to build capacity in the UK and around the world in the application and enhancement of international and comparative law, and the rule of law, to support the judiciary, government legal officials and civil society;
- Dissemination of research and information about international and comparative law directly to BIICL members, including legal scholars, judges, barristers, solicitors, students, advisers to governments and corporations and non-governmental organisations, who are then better able to advise public and private bodies accurately about international and comparative legal issues;
- Dissemination of research and information about international and comparative law, and the rule of law to the general public, especially to all those interested in these matters, who are then better informed in their active engagement with these issues;
- Offering a wide range of conferences, seminars, lectures and other events on contemporary issues of international and comparative law, and the rule of law, that are open to the general public to attend, as these issues may affect their daily lives and/or better inform them about these important issues;
- Dissemination to the general public of matters of international and comparative law, and the rule of law by the printing and distribution of publications and journals;

Trustees' annual report

For the year ended 31 December 2015

- Publication of the Institute's activities, newsletters and other information to the general public on the Institute's website; and
- Contributing to the broader education of the general public about the many important aspects of international and comparative law, and the rule of law, and the impacts these may have on national systems.

Some specific examples of the provision of public benefit through the activities carried out by BIICL in 2015 are provided below.

Achievements and performance

Our main activities and beneficiaries during 2015 are described below. All of our charitable activities focus on international and comparative law, and the rule of law, and are undertaken to further BIICL's charitable purposes for the public benefit.

Membership

BIICL membership (comprising both individuals and organisations) was 375 at the end of 2015 (2014: 393). Membership income was £51,756 (2014: £64,114). BIICL's new Marketing Strategy has identified membership as a key focus of activity over the next 12 months and a number of campaigns are underway to recruit new members and encourage retention of existing members.

The Institute continues to operate its three specialist Fora – in Competition Law, Investment Treaty Law and Product Liability. These make an important contribution to the work of the Institute, provide opportunities to explore current issues and prompt further research. Total Forum membership in 2015 was 71, comprising 58 organisations and 13 individuals (2014: 72, comprising 57 organisations and 15 individuals). Fora membership income was £185,390 in 2015 (2014: £191,346).

Research

During 2015, the Institute continued to develop its active and responsive programme of practical and applied research. We received funding from several external organisations to support a diverse range of research topics, including work in the following areas:

- a new European Commission funded project on the enforcement of the right to cultural heritage under international law, with external university partners in Poland and Italy;
- funding from the Legal Education Foundation to provide research and secretariat support to a new All-Party Parliamentary Group on the Rule of Law;
- a project on Human Rights Due Diligence funded by Norton Rose Fulbright LLP;
- funding from the Jones Day Foundation to establish the Global Rule of Law Exchange programme of research and conferences;
- an Access to Justice project for the International Bar Association on the availability and effectiveness across jurisdictions of legal aid and redress mechanisms for victims of violence;

Trustees' annual report

For the year ended 31 December 2015

- a survey of Access to Remedy in the UK for Human Rights Abuses by Companies for the UK Foreign and Commonwealth Office (FCO) and the Department for Business, Innovation and Skills (BIS);
- an Independent Commission report on *A Constitutional Crossroads: Ways Forward* for the UK, funded by the Gatsby Foundation;
- a project on Protection of Education in Insecurity and Armed Conflict: Domestic Implementation within the MENA Region, funded by PEIC, a Foundation in Qatar;
- a project for the Government of Japan on the Law of the Sea, which examines the current state of international law applicable to disputed areas in the absence of maritime boundaries.

Further details about the Institute's research and the staff achievements are provided in BIICL's Annual Impact Report 2015–16 and on our website (www.biicl.org). Copies of the Annual Impact Report are also available on request from the Institute's Deputy Director at our registered office.

Events

Throughout 2015, BIICL organised an extensive programme of seminars, conferences and other events, attracting expert speakers from diverse backgrounds and experiences, as well as attendees, from around the world. CPD points were available for most of these events.

We continued to run our two popular short courses: the four-day International Law in Practice course, aimed at mid-level practitioners (in government, private practice, academia and elsewhere), and a shorter, two-day version focusing on Public International Law. Further changes to the short course programme are being planned for introduction in 2016, including two new stand-alone courses in Cross-Border Dispute Resolution and on the Rule of Law.

Other events during the year covered many contemporary and topical issues related to BIICL's areas of research and interest. These included events on: Regulatory and Liability Perspectives on Vaccines; the Role of Legal Advisers in International Law; the Consumer Rights Act 2015; Foreign Direct Investment and the Rule of Law; Breaking BREXIT; the Relevance of Magna Carta Abroad; Managing Migration Flows in the Mediterranean; the Role of Big Data in Competition and Privacy Law; Directions for Human Rights in the UK; and the 70th Anniversary of the Nuremberg Trials. The full list of events is available on our website.

During 2015, BIICL's events income was £174,950 (2014: £198,659). There were 46 public events during the year (2014: 53).

Trustees' annual report

For the year ended 31 December 2015

Publications

The *International and Comparative Law Quarterly (ICLQ)* continues to attract a very high standard of scholarship from around the world in the fields of public international law, private international law, comparative law, human rights law and European law. The journal is managed by an active Editorial Board of senior academics and retains its reputation as a leading academic legal journal, with a high impact factor. A strict peer review system is operated to ensure that articles are selected purely on merit. This reflects the independence of the *ICLQ* and BIICL.

Cambridge University Press manages production, marketing and distribution of the *ICLQ* and provides additional support. Overall income to the Institute from the *ICLQ* was £212,510 in 2015 (2014: £203,970). In addition to the journal, BIICL publishes a small number of books, with four new titles in 2015. Income from book sales in 2015 was £20,165 (2014: £16,940).

BIICL also produces working papers, research reports, responses to government proposals and other submissions, many of which are publicly available on our website. Staff research is also published elsewhere.

Public Benefit

Much of the BIICL's work makes an active contribution to its public benefit mission. Our diverse range of research, events, training and publications continues to enable increased public knowledge and awareness of important issues of international law, comparative law and the rule of law. Some selected examples of the impact of our work during 2015 are provided below:

- A BIICL survey on Access to Judicial Remedies for Transnational Corporations Violations of Human Rights was one of three documents that were the basis for an FCO and BIS review of its National Action Plan on Business and Human Rights.
- Written and oral evidence submitted to the Inquiry into the use of Immigration Detention in the UK was quoted in the All Party Parliamentary Group on Immigration's final report, published in March 2015.
- The Independent Reviewer of Terrorism Legislation adopted key reform recommendations made by the Bingham Centre in its submission to the Review. In line with the Centre's submission, the Independent Reviewer recommended significant changes to the UK legal framework governing the use of interception warrants, including a requirement that all interception warrants should be authorised by a judge and the establishment of a single oversight body to replace the existing patchwork system. Some of these, and subsequent Centre recommendations, have been included in the Bill on this area laid before Parliament.
- The Rule of Law for Citizenship Education project received the Quality Award of the Association for Citizenship Teaching for its materials to teach rule of law concepts to pupils at Key Stage 3.

Trustees' annual report

For the year ended 31 December 2015

- Building on our research in cultural heritage, we provided training for armed non-state actors in Geneva on the protection of cultural heritage in armed conflict.
- The Bingham Centre's contribution to the debate on indicators for the post-2015 development agenda was mentioned in the final report of the UN Sustainable Development Solutions Network. The Centre's work and publications on the United Nations' Sustainable Development Goals and Access to Justice were also extensively referenced in the background material circulated to participants of the OECD Expert Roundtable on equal access to justice.
- Publications by the Institute Director on business and human rights were cited in *The UN Guiding Principles on Business and Human Rights: A Critical Assessment*, 2015.
- Research on open justice by Dr Lawrence McNamara was cited by the South African Supreme Court of Appeal in its decision holding that all court records are public documents open to public scrutiny and that any departure from that principle is an exception that must be justified: *City of Cape Town v South African National Roads Authority Ltd & others* [2015] ZASCA 58 (30 March 2015).
- Our report, *A Constitutional Crossroads*, has been widely cited in devolution debates throughout the UK.

We measure our overall performance against the strategic aims and objectives set out in our Strategic Plan. During 2015, we evaluated progress against our Plan for the period 2013–2015. Our traffic light analysis demonstrated excellent progress against our strategic aims, with many objectives fully achieved and most others in train. Some key indicators of success are summarised below:

- Funding for research nearly doubled over the period to £1.09 million;
- We were recognised as eligible for funding as an Independent Research Organisation by two UK Research Councils;
- We improved the linkage between our own research and the events programme;
- We increased our provision of capacity-building training in the UK and internationally for lawyers, judges, MPs and civil society organisations;
- We increased our sponsorship income for events so that we could maintain lower prices and some free places for NGOs;
- We improved the marketing of our events so that we are close to covering our actual costs;
- We implemented a new electronic submissions process for the *ICLQ* which has improved review processes and timescales;
- We gathered feedback from existing and lapsed members to inform our future membership campaigns;
- We launched a new Online International membership category;
- A new website and branding were successfully launched and we significantly increased our presence on social media;

Trustees' annual report

For the year ended 31 December 2015

- We secured over £2 million in donations and pledges to the Bingham and Watts Appeals (against a combined target of £5.5 million by 2020).

Beneficiaries of our services

Beneficiaries of BIICL's research and other activities are diverse and include: legal practitioners; academics; the judiciary; corporations and other commercial bodies; government and non-governmental organisations; and members of the wider public.

Financial review

The Statement of Financial Activities (SOFA) set out on page 21 shows that income increased during 2015 by 19%, from £1,794,826 in 2014 to £2,135,175. This comprised growth in both Unrestricted and Restricted Fund income.

Total expenditure rose by a smaller percentage (13%) to £2,006,727 (2014: £1,779,620).

Restricted Fund expenditure increased by £68,101, from £836,832 for 2014, to £904,933 for 2015, and Unrestricted Fund expenditure increased by £159,006, from £942,788 for 2014 to £1,101,794 for 2015. This increase was primarily due to an increase in activities (in Research programmes), generating an increase in income, with an associated increase in the direct costs of these new research programmes.

The Institute has an operating surplus for the year on its Unrestricted Funds of £71,020, and net incoming resources of £57,205 on Restricted Funds (2014: a net operating deficit for the year on its Unrestricted Funds of £7,393 before one-off adjustments of £87,920, leading to a net operating surplus on Unrestricted Funds of £80,527, and net outgoing resources of £69,289 on Restricted Funds).

The 2015 net incoming resources on Restricted Funds relates to donations to the Bingham Centre, received in 2015 (and in 2014) in respect of "Phase 2" of the Bingham Appeal. These donations will not be spent until all of the "Phase 1" donations have been utilised. It is expected that this will happen in late 2016.

The Trustees anticipate that the Institute will have the necessary financial resources to meet its obligations for 2016, including the current estimated liabilities in respect of the University of London's building renovation programme.

Restricted Fund income has been recognised in accordance with the current Statement of Recommended Practice Accounting and Reporting by Charities (the Charities SORP). This treatment may mean that income is not recognised in the same period as the related expenditure. Over time Restricted Fund income should match expenditure, although significant surpluses or deficits may occur in certain years depending on the timing of income and expenditure.

Trustees' annual report

For the year ended 31 December 2015

After taking into account unrealised gains and losses on investments, total fund balances increased by £128,225 (2014: an increase of £11,238) to £2,204,896 (2014: £2,079,671).

The Trustees agreed a new investment policy in 2015 which seeks to produce the optimum total return, balanced between income and capital, from its investment portfolio. We have adopted a medium risk investment strategy, to be achieved through a diversified portfolio of investments, using the widest range of investments as permitted by the Trustee Act 2000. In addition, the Trustees require BIICL's investment manager to invest in companies that support the dignity and human rights of citizens in every country in which they operate and particularly in countries where political repression and/or basic human rights violations take place. The Trustees also welcome investment in companies with a high proportion of turnover coming from areas such as safety equipment, healthcare or environmental technology. BIICL has also stipulated that it does not want any direct exposure to companies that generate more than 20% of their turnover from any of the following: armaments; tobacco; gambling; and pornography. The performance of our investment funds is monitored by the Finance and Audit Committee for the Trustees and will be considered further in 2016.

The average yield on investments for the year ended 31 December 2015 was 1.3% (2014: 4.4%). The decrease in the average yield on investments was primarily because a very large proportion of the investment portfolio was purchased in the last quarter of 2015, and so many of these new investments did not yield any returns in 2015. Recalculating the average yield on investments, based only on investments which generated a return in 2015, gives an average yield on investments of 3.0% for 2015. The average (unrealised) movement in the market value of investments for the year was a 0.0% increase (2014: 1.7% increase).

Pensions

The Institute participates in three funded pension schemes: one defined benefit scheme, and two defined contribution schemes. The Institute closed the defined-benefit scheme to new entrants (except for the post of Institute Director) from 1 January 2007. The Institute accounts for this scheme (which is the Universities Superannuation Scheme) as if it were a defined contribution scheme. Further details are provided in note 16 to the financial statements.

Principal risks and uncertainties

The Trustees operate a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the risks faced by BIICL, prioritising these in relation to impact, likelihood of occurrence and overall risk level, and identifying mitigating factors and ways to manage the risks. In addition, all risks are owned by a member of BIICL's management team. This risk register is regularly reviewed by the Finance and Audit Committee and by the Trustees, to ensure that it is kept up-to-date. As part of this process the Trustees have reviewed the adequacy of the Institute's current internal controls and the costs of operating particular controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to appropriate levels of management and to the Board of Trustees.

Trustees' annual report

For the year ended 31 December 2015

The Trustees consider that the most significant risk to the Institute is the lack of core funding. To mitigate this risk, the reserves policy includes a target for free reserves of at least 50% of the year's figure for total unrestricted resources expended. We also continue to seek core funding as part of our fundraising activity. In 2015, BIICL continued to raise funds for the Arthur Watts Appeal and for Phase 2 of its Appeal for the Bingham Centre for the Rule of Law. All fundraising and other income generation activities abide by our Guidelines for Ethical Funding.

In addition to our fundraising activities, we continue to diversify and increase our research funding and training/short course activities. New membership campaigns are also underway.

Reserves policy

Free reserves available for use by BIICL are deemed to be those that are readily realisable, less those funds whose uses are restricted or designated for particular purposes. The calculation thus excludes funds of £74,686 (2014: £96,610) invested in property and other fixed assets that will continue to be used in the day-to-day running of the Institute.

As a matter of policy, each year the Trustees review the value of the reserves retained in the form of investments, cash and cash equivalents not held for restricted purposes or designated projects. The Board of Trustees considers the Institute's exposure to major risks in terms of their likely impact on its income sources and planned expenditure in the short to medium term, as well as assessing the best way to manage such risks.

The present target for free reserves is a minimum of 50% of the year's audited figure for total unrestricted resources expended, to recognise the risks relating to lack of core funding and to enable the Institute to cope with any emergencies. As at 31 December 2015 this target equates to £550,897 (2014: £471,394).

In addition to the current minimum target, Trustees have agreed that it is prudent to keep a higher balance of free reserves at present in view of the following:

- the perceived levels of risk, including BIICL's planned future development and ongoing building maintenance, decoration and repair work by the University of London, which is our landlord (see note 22);
- to enable BIICL to invest in strategically important new research and other initiatives which are not fully funded from external sources through the establishment of an Initiatives Fund of £50,000 per annum.

Trustees' annual report

For the year ended 31 December 2015

BIICL's free reserves are calculated as follows:

	2015	2014
	Total	Total
	£	£
Unrestricted funds at 31 December	964,439	893,419
Expendable endowment fund at 31 December	121,532	121,532
Less: Investment in tangible fixed assets for the Institute's use	<u>(74,686)</u>	<u>(96,610)</u>
	<u>1,011,285</u>	<u>918,341</u>

The Trustees will continue to keep this policy under review during 2016.

Plans for the future

The Trustees have agreed a new Strategic Plan for the period from 2016–2018. This builds on the achievements of the previous plan and is organised around the following outward-facing, strategic aims:

- Strategic Aim 1: To produce excellent research which is respected for its independence and makes a sustained impact on policy and practice.
- Strategic Aim 2: To enhance public awareness of our work through dynamic and high quality events, training and publications.
- Strategic Aim 3: To grow and support an expert community of practitioners, academics, students, policy-makers and donors through our general membership, specialist Forums and alumni, and in our development activities.
- Strategic Aim 4: To be an effective and sustainable organisation in relation to our staff development, operational management and governance.

These aims will guide and inform BIICL's work during 2016 (and to 2018) in relation to its key roles in research, events, training and publications, and in promoting its work to members, practitioners, academics, policy-makers and the wider public. Key priorities for 2016 include: further campaigns to increase and diversify BIICL's membership base; the launch of new short courses; investment in new paid research internships; and securing co-funding for at least one further new Research Fellow in a strategically important area of international and comparative law.

The Institute is pro-active in looking to maximise and diversify its income within its Guidelines on Ethical Funding and its Research Ethics Policy. This includes the continuation of the development appeals for the Bingham Centre and the Arthur Watts Fellowship, as well as identifying new sources of research funding and securing enhanced sponsorship of events.

Structure, governance and management

Trustees

BIICL is governed by its Memorandum and Articles of Association adopted on 2 October 1958 and last amended on 13 September 2010.

The present Trustees, and any past Trustees who served during the year, are listed on page 1 of this Annual Report, together with the Director and key management personnel.

The Board of Trustees is responsible for the overall governance of the Institute and the total number of Trustees may not exceed eighteen. Trustees are in office for a term of three years and may not serve more than two consecutive full terms.

Trustees meet at least four times a year. Apart from the Annual General Meeting, these meetings consist of formal Board meetings, held every quarter. At these meetings, Trustees review and set overall strategy and operational performance, as well as review the direction of BIICL research, events and publications.

Effective partnership between Trustees and BIICL staff continues to contribute significantly to our success. The Board delegates the exercise of certain powers in connection with the management and administration of the Institute as set out below. This is monitored by regular reporting to the Board, and by receipt and discussion of reports by the Institute Director and other staff as required, so that all decisions made under delegated powers can be ratified by the full Board in due course. In addition, each Trustee is a mentor to a member of the Institute's staff. These measures ensure that Trustees have the necessary understanding for effective and informed decision-making.

Trustee Recruitment, Induction and Training

Trustees are nominated by the Board of Trustees and elected to the Board at BIICL's Annual General Meeting. Generally, Trustees have already had an involvement with the activities of the Institute, which ensures a broad understanding of the work of the Institute. Special advisors to the Board of Trustees are co-opted on an ad hoc basis.

All new Trustees receive a general induction to BIICL's governance and operations by the Institute Director and other senior staff. Training on specific matters is available, where appropriate. Sometimes this training takes the form of a presentation to the Board of Trustees by a guest speaker or a member of staff.

Trustees' annual report

For the year ended 31 December 2015

Finance and Audit Committee

The members of the Finance and Audit Committee are usually also Trustees or former Trustees of the Institute and are appointed by the Board of Trustees. The members during 2015 were:

- Trustees: Philip Haberman, Sir Stanley Burnton.
- Former Trustees: Michael Hutchings (to 19 October 2015), Adam Johnson; John Merrett; Ian Hobbs (to 31 July 2015).

The Committee met four times during 2015. Meetings were also attended by the Institute Director, Institute Deputy Director, Finance Director and the Deputy Director of the Bingham Centre.

The Board of Trustees agreed new membership and terms of reference for the Committee in 2015. Committee membership shall include at least two BIICL Trustees (one of whom must be the Chair of the Committee). Other members shall comprise former Trustees or other independent external individuals with recent and relevant experience and expertise in finance, audit or other appropriate areas. Committee members should have no executive responsibility for the management of BIICL and no significant interests in the institution. The Chair of the Board of Trustees shall not be a member of the Committee. There shall be no fewer than five members. A quorum shall be at least three members (one of which must be a Trustee).

Trustee member appointments to the Committee shall be in line with their Trustee terms of office. Other members shall be appointed for an initial term of three years and may serve for one further consecutive term. Appointments to the Committee will be staggered to ensure some regular turnover of members. In October 2015, the Board appointed two new members to the Committee, Aimee-Jane Lee and Andrew Whitaker, who commence their terms of office in 2016.

The Committee's terms of reference are:

Financial issues

- To be responsible for the on-going financial review of BIICL's activities including: financial results; risk assessment and management; and internal financial controls.
- To determine an annual budget for recommendation to the Board of Trustees.
- To ensure proper procedures are in place to manage cash resources prudently and to maximise income from liquid assets whilst maintaining sufficient funds to meet daily cash requirements.
- To review the strategy, policy and management of the BIICL's investment portfolio, and to advise the Board of Trustees on the appropriate level of free reserves and of any significant changes needed in the investment strategy.
- To determine the policies applicable to the annual salary review of BIICL staff and any general staffing salary issues, and to advise on specific staffing salary and other benefits issues, for recommendation to the Board of Trustees.

Trustees' annual report

For the year ended 31 December 2015

Audit issues

- To consider all aspects of the external audit, including appointment and remuneration of the external auditor, the nature and scope of the statutory audit, the recommendation of audited financial statements to the Board of Trustees, and the discussion of issues raised in the external auditor's management letter.
- To ensure that the annual financial statements are true and fair and conform to accounting standards, and that accounting policies are appropriate and applied consistently.
- To review the performance reported in the Trustees' Annual Report and to ensure that this is a true reflection of the charity's performance.
- To review all reports prepared by the external auditor and to agree the programme of work proposed by management to address any issues raised.
- To review the process for awarding non-audit work to the external audit firm and to ensure that potential conflicts of interest are managed in the best interests of the charity.
- To monitor the compliance of BIICL with applicable laws and regulations, as well as its own policies and procedures.

Research Ethics Committee

The Board of Trustees established a Research Ethics Committee in 2015, with responsibility for the development and implementation of policy and processes relating to research ethics.

Its terms of reference are:

- To consider new research proposals in line with BIICL's research ethics policy and process, and to approve, refer or decline proposals, as appropriate;
- To monitor and review the effective application and operation of BIICL's research ethics policy; and
- To advise BIICL's Board of Trustees on developments relating to research ethics policy, good practice and implementation.

The Chair of the Committee is a Trustee or former Trustee appointed by the Board (Professor Stephen Weatherill). Other members comprise: one other BIICL Trustee (Professor Dawn Oliver); two lay members (Derek Wood CBE QC and William Locke); the Institute Director (Professor Robert McCorquodale); three Senior Research Fellows, at least one of whom will be from the Bingham Centre (Dr Eva Lein, Dr Liza Lovdahl-Gormsen and Dr Lawrence McNamara) and the BIICL Deputy Director (Patricia Ambrose).

Advisory Panels

Advisory Panels reflecting the research areas of the Institute operate in each of the main research areas of the Institute, with Panel members appointed for their expertise in these fields of law.

Institute Director

The Institute Director is responsible for the day-to-day management of the Institute's affairs and for implementing strategies agreed by the Board of Trustees. The Director is assisted by a team of senior managers and senior researchers, with whom there are regular meetings.

Trustees' annual report

For the year ended 31 December 2015

Corporate Governance

Internal controls over all forms of financial commitments, obligations and expenditure continue to be refined to improve efficiency and as part of ongoing internal risk assessment processes. Policies and procedures are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both senior management and the Board of Trustees.

The systems of internal control are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- an annual budget approved by the Trustees;
- regular consideration by the Trustees of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of day-to-day management authority and segregation of responsibilities; and
- identification and management of risks.

All Trustees give their time voluntarily and receive no benefits from the charity. No Trustee reclaimed any expenses from the charity during 2015 (see note 6 to the accounts).

Related parties and relationships with other organisations

BIICL continued to receive grants from The International Rule of Law Project Inc. (IROLP), a US public charity established by supporters of BIICL, tax exempt under Section 501(c)(3) of the US Internal Revenue Code. IROLP is governed by its own independent Board, which includes one BIICL Trustee (Gary Born) and the BIICL Deputy Director (Patricia Ambrose). Included in income for 2015 are grants from IROLP of \$217,287/£136,737 (2014: \$23,750/£15,150).

Remuneration policy for key management personnel

The Finance and Audit Committee makes an annual recommendation to the Board of Trustees on the general principles to operate in relation to the remuneration of all staff, including key management personnel. In determining these general principles, the Finance and Audit Committee considers the following matters:

- UK inflation (CPI/CPIH/RPI Jevons) over the period and any other general economic matters;
- comparator sectors' salaries and salary increases, being the higher education sector; the charity sector; and the public sector;
- BIICL's financial position in the previous year and expected financial position in the current year; and
- information on any changes in roles and levels of responsibility, as well as the overall performance of staff at their annual reviews.

Once the Board of Trustees has agreed these principles, the Institute Director applies them to individual staff members as part of the annual review process. The salary of the Institute Director is decided by the Board of Trustees on the recommendation of the Chair of the Board, taking account of the same general principles.

Trustees' annual report

For the year ended 31 December 2015

Statement of responsibilities of the Trustees

The Trustees (who are also directors of the British Institute of International and Comparative Law for the purposes of company law) are responsible for preparing the Trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware;
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2015 was 375 (2014: 393). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Trustees' annual report

For the year ended 31 December 2015

Auditors

Sayer Vincent LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The Trustees' annual report has been approved by the Trustees and signed on their behalf by

A handwritten signature in black ink, appearing to be 'F. Berman', with a long horizontal line extending to the right.

Sir Franklin Berman KCMG QC
Chair of the Board of Trustees

Date: 9 May 2016

Independent auditors' report

To the members of

British Institute of International and Comparative Law

We have audited the financial statements of The British Institute of International and Comparative Law for the year ended 31 December 2015 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditors' report

To the members of

British Institute of International and Comparative Law

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the trustees, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.
- Certain disclosures of trustees' remuneration specified by law are not made.
- We have not received all the information and explanations we require for our audit.
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the report of the trustees and take advantage of the small companies' exemption from the requirement to prepare a strategic report only applicable if small.

Joanna Pittman (Senior statutory auditor)

Date: 20 May 2016

for and on behalf of Sayer Vincent LLP, Statutory Auditors
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The British Institute of International and Comparative Law

Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 December 2015

	Note	Unrestricted £	Restricted £	2015 Total £	Unrestricted £	Restricted £	2014 Total £
Income from:							
Donations and legacies		2,554	363,937	366,491	2,395	320,340	322,735
Charitable activities							
Member services	2	237,146	-	237,146	255,460	-	255,460
Publications and journals	2	233,550	6,878	240,428	221,767	6,730	228,497
Conferences and seminars	2	174,950	-	174,950	198,659	-	198,659
Research programmes	2	534,400	557,752	1,092,152	338,624	417,340	755,964
Rental services		8,279	-	8,279	13,206	-	13,206
Investments	3	13,629	2,100	15,729	17,645	2,660	20,305
Total income		1,204,508	930,667	2,135,175	1,047,756	747,070	1,794,826
Expenditure on:							
Raising funds	4	28,895	76,838	105,733	28,128	65,430	93,558
Charitable activities							
Member services	4	199,357	-	199,357	174,097	-	174,097
Publications and journals	4	98,762	-	98,762	99,232	-	99,232
Conferences and seminars	4	185,546	-	185,546	222,561	-	222,561
Research programmes	4	589,234	828,095	1,417,329	418,770	771,402	1,190,172
Total expenditure		1,101,794	904,933	2,006,727	942,788	836,832	1,779,620
Net income / (expenditure) before net gains / (losses) on investments		102,714	25,734	128,448	104,968	(89,762)	15,206
Net gains / (losses) on investments		(223)	-	(223)	(3,968)	-	(3,968)
Net income / (expenditure) for the year	5	102,491	25,734	128,225	101,000	(89,762)	11,238
Transfers between funds		(31,471)	31,471	-	(20,473)	20,473	-
Net movement in funds		71,020	57,205	128,225	80,527	(69,289)	11,238
Reconciliation of funds:							
Total funds brought forward		893,419	1,183,252	2,076,671	812,892	1,252,541	2,065,433
Total funds carried forward		964,439	1,240,457	2,204,896	893,419	1,183,252	2,076,671

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18 to the financial statements.

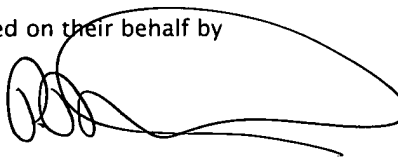
Balance Sheet

Company no. 615025

As at 31 December 2015

	Note	£	2015 £	2014 £
Fixed assets:				
Tangible assets	10		74,686	96,610
Investments	11		787,155	280,891
			<u>861,841</u>	<u>377,501</u>
Current assets:				
Stock	12	9,423		7,235
Debtors	13	360,923		527,378
Cash at bank and in hand		1,813,975		1,976,238
		<u>2,184,321</u>	<u>2,510,851</u>	
Liabilities:				
Creditors: amounts falling due within one year	14	841,266		811,681
			<u>1,343,055</u>	<u>1,699,170</u>
Net current assets			<u>1,343,055</u>	<u>1,699,170</u>
Total net assets			<u><u>2,204,896</u></u>	<u><u>2,076,671</u></u>
The funds of the charity:	18			
Endowment funds		402,042		402,042
Restricted income funds		<u>838,415</u>	<u>402,042</u>	<u>781,210</u>
			1,240,457	1,183,252
Unrestricted income funds:				
Fair value reserve		984		-
General funds		<u>963,455</u>	<u>893,419</u>	
Total unrestricted funds			<u>964,439</u>	<u>893,419</u>
Total charity funds			<u><u>2,204,896</u></u>	<u><u>2,076,671</u></u>

Approved by the trustees on 9 May 2016 and signed on their behalf by


Sir Franklin Berman KCMG QC
Chair of the Board of Trustees

Philip Haberman
Trustee

Statement of Cash Flows

For the year ended 31 December 2015

	Note	2015 £	£	2014 £	£
Cash flows from operating activities	19				
Net cash provided by / (used in) operating activities		341,137		(20,590)	
Cash flows from investing activities:					
Dividends, interest and rents from investments		15,729		20,299	
Proceeds from the sale of fixed assets		–		(9)	
Purchase of fixed assets		(11,065)		(23,901)	
Proceeds from sale of investments		270,710		30,437	
Purchase of investments		(475,684)		(9,079)	
Cash movement in investment portfolios		(301,513)		–	
Net cash provided by / (used in) investing activities		(501,823)		17,747	
Change in cash and cash equivalents in the year		(160,686)		(2,843)	
Cash and cash equivalents at the beginning of the year		1,976,238		1,984,678	
Change in cash and cash equivalents due to exchange rate movements		(1,577)		(5,597)	
Cash and cash equivalents at the end of the year	20	1,813,975		1,976,238	

Notes to the financial statements

For the year ended 31 December 2015

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 January 2014.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken. The initial liability was for £12,049. No other restatements were required.

In accordance with the requirements of FRS 102, a reconciliation of opening balances and net income / (expenditure) for the year is provided with the net income / (expenditure) under previous GAAP adjusted for the presentation of investment gains / (losses) as a component of reported income. This is provided in note 25.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services to members, publishing books & journals, holding events and running research programmes & projects, all undertaken to further the purposes of the charity, and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned pro rata to the staffing levels of the relevant activity or to the level of office space utilised by the relevant activity.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Notes to the financial statements

For the year ended 31 December 2015

1 Accounting policies (continued)

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Long leasehold properties	50 years
• Improvements to long leasehold properties	Remaining period of the lease
• Computer equipment	3 years
• Fixtures, fittings and furniture	5 years
• Office equipment	5 years

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

n) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

The Institute participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of State Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 102 Section 28, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the SOFA represents the contributions payable to the scheme in respect of the accounting period.

The British Institute of International and Comparative Law

Notes to the financial statements

For the year ended 31 December 2015

2 Income from charitable activities

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Institute memberships	51,756	-	51,756	64,114
Fora memberships	185,390	-	185,390	191,346
Sub-total for Member services	237,146	-	237,146	255,460
ICLQ journal royalties & other income	212,510	-	212,510	203,970
Publication sales	20,165	-	20,165	16,940
Publication royalties	875	6,878	7,753	7,587
Sub-total for Publications and journals	233,550	6,878	240,428	228,497
WTO law events	27,651	-	27,651	24,527
International law short courses	25,321	-	25,321	21,308
Public international law events	22,464	-	22,464	36,767
Investment Treaty law events	22,139	-	22,139	11,560
Competition law events	18,654	-	18,654	22,430
Annual Grotius lecture & dinner	17,188	-	17,188	18,217
Private international law events	15,975	-	15,975	21,673
Bingham Centre rule of law events	11,039	-	11,039	35,914
Comparative law events	7,069	-	7,069	2,508
Other events	7,450	-	7,450	3,755
Sub-total for Conferences and seminars	174,950	-	174,950	198,659
Funding from:				
UK NGOs, trusts & foundations	44,101	338,344	382,445	319,610
Overseas NGOs, trusts & foundations	233,443	136,090	369,533	209,790
Law firms	153,512	1,800	155,312	109,958
UK government departments	36,416	78,294	114,710	97,498
Overseas government departments	22,394	-	22,394	1,025
UK research councils	20,806	-	20,806	-
Publishers	19,310	-	19,310	8,000
European Commission	-	3,224	3,224	-
Other sources	4,418	-	4,418	10,083
Sub-total for Research programmes	534,400	557,752	1,092,152	755,964
Total income from charitable activities	1,180,046	564,630	1,744,676	1,438,580

3 Income from investments

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Dividends received from investments	9,808	-	9,808	13,716
Interest received from investments	366	-	366	-
Bank interest	3,443	2,100	5,543	6,583
Other interest	12	-	12	6
	13,629	2,100	15,729	20,305

The British Institute of International and Comparative Law

Notes to the financial statements

For the year ended 31 December 2015

4 Analysis of expenditure

	Charitable activities					2015 Total £	2014 Total £
	Raising funds £	Member services £	Publications and journals £	Conferences and seminars £	Research programmes £		
Staff costs (Note 6)	89,083	134,214	50,545	95,233	1,086,103	1,455,178	1,267,868
Direct costs	9,805	41,973	39,432	70,716	185,184	347,110	390,071
Support costs:							
- Property costs	718	8,689	5,152	5,390	54,870	74,819	18,355
- Property costs: Major refurbishment	-	-	-	-	-	-	(33,000)
- Communication costs	1,313	4,952	1,867	5,936	35,561	49,629	51,630
- Other office costs	160	1,253	397	1,199	9,113	12,122	18,976
- Recruitment, training & conferences	3,905	627	199	601	4,564	9,896	7,583
- Depreciation & losses on disposals	435	3,409	1,080	3,263	24,802	32,989	26,013
- Other costs	202	3,364	(187)	2,372	10,759	16,510	23,846
Governance costs	112	876	277	838	6,371	8,474	8,278
Total expenditure 2015	105,733	199,357	98,762	185,548	1,417,327	2,006,727	1,779,620
Total expenditure 2014	93,558	174,097	99,232	222,561	1,190,172		1,779,620

Of the total expenditure, £1,101,794 was unrestricted (2014: £942,788) and £904,933 was restricted (2014: £836,832).

"Property costs" of £18,355 in 2014 include an adjustment, reducing expenditure, for a prepayment of £54,920 which relates to the agreed reduction in the Institute's invoiced service charges for the period from August 2011 to July 2014.

"Property costs – Major refurbishment" of £(33,000) in 2014 relates to a reduction in the accrual for the estimated costs of refurbishment of Charles Clore House in the second half of 2012. These costs were to be recharged to the Institute in the latter part of 2013. See note 22.

Other costs includes a charge of £4,056 (2014: £5,185) relating to exchange rate net losses made on foreign currency transactions made during 2015 and on the re-translation of foreign currency bank and cash balances held as at 31 December 2015.

Governance costs consist of audit fees of £8,434 (2014: £8,138) and Board of Trustees meeting costs of £40 (2014: £140).

Notes to the financial statements

For the year ended 31 December 2015

5 Net incoming resources for the year

This is stated after charging:

	2015 £	2014 £
Depreciation	32,896	26,004
Loss or profit on disposal of fixed assets	94	9
Operating lease rentals:		
Property	1	1
Other	6,962	9,754
Auditors' remuneration (excluding VAT):		
Audit	7,500	7,400
Other services	-	1,300
Foreign exchange losses	4,056	5,185

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2015 £	2014 £
Salaries and wages	1,212,846	1,070,636
Redundancy and termination costs	-	2,250
Social security costs	132,378	108,825
Employer's contributions to defined contribution pension schemes	27,472	21,607
Employer's contributions to defined benefit pension scheme	15,312	15,091
Other forms of employee benefits	1,188	1,269
Secondment fees	26,774	39,698
Temporary staff	35,702	7,247
Other staff costs	3,506	1,245
	1,455,178	1,267,868

The following number of employees received employee benefits (including salary, but excluding employer pension costs) during the year between:

	2015 No.	2014 No.
£60,000 – £69,999	4	3
£70,000 – £79,999	-	-
£80,000 – £89,999	1	-
£90,000 – £99,999	1	2

The total employee benefits including pension contributions of the key management personnel were £250,473 (2014: £244,138).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2014: £nil). No charity trustee received payment for professional or other services supplied to the charity (2014: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2014: £nil) incurred by nil (2014: nil) members relating to attendance at meetings of the trustees.

Notes to the financial statements

For the year ended 31 December 2015

7 Staff numbers

The average number of employees, with a head count based on number of staff employed, and on a full-time equivalent (FTE) basis, during the year were as follows:

	2015 Employed No.	2015 FTE No.	2014 Employed No.	2014 FTE No.
Raising funds	0.3	0.3	0.4	0.4
Member services	1.7	1.7	1.0	1.0
Publications and journals	1.1	0.8	1.1	1.1
Conferences and seminars	2.5	2.5	2.1	2.1
Research programmes	19.4	18.3	16.4	14.5
Support	3.5	3.3	4.3	4.8
	28.5	26.9	25.3	23.9

8 Related party transactions

There are no related party transactions to disclose for 2015 (2014: none).

Aggregate donations from related parties were £5,000. (2014: £nil).

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	Freehold property £	Office equipment £	Computer equipment £	Fixtures and fittings £	Total £
Cost or valuation					
At the start of the year	66,626	8,849	133,708	33,811	242,994
Additions	-	-	8,760	2,305	11,065
Disposals	-	-	(10,038)	-	(10,038)
At the end of the year	66,626	8,849	132,430	36,116	244,021
Depreciation					
At the start of the year	30,860	2,334	80,141	33,049	146,384
Charge for the year	1,460	1,324	29,637	475	32,896
Eliminated on disposal	-	-	(9,945)	-	(9,945)
At the end of the year	32,320	3,658	99,833	33,524	169,335
Net book value					
At the end of the year	34,306	5,191	32,597	2,592	74,686
At the start of the year	35,766	6,515	53,567	762	96,610

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2015

11 Listed investments

	2015 £	2014 £
Fair value at the start of the year	280,891	306,217
Additions at cost	475,684	9,079
Disposal proceeds	(270,710)	(30,437)
Net gain / (loss) on change in fair value	(223)	(3,968)
	485,642	280,891
Cash held by investment manager pending investment	301,513	-
Fair value at the end of the year	787,155	280,891
Historical cost of investments and cash held by investment manager at the end of the year	786,171	286,452

Investments comprise:

	2015 £	2014 £
Fixed Interest	56,858	-
UK Equities	169,664	222,319
Overseas Equities	200,797	-
Alternatives	58,323	58,572
Cash	301,513	-
	787,155	280,891

Investments representing over 5% by value of the portfolio comprise:

	2015 £	2014 £
88,593.49 units in The Equity Income Trust for Charities A Fund	-	85,298
50,976.32 units in The Growth Trust for Charities A Fund	-	75,751
89,773.28 units in The Income Trust for Charities A Fund	-	61,270
52,958 units in The Charties Property Fund	-	58,572
330 units in SPDR Series Trust S&P 500 ETF (GBP)	45,849	-
580 units in Findlay Park Funds American Fund Unhedged (GBP)	31,616	-
14,500 units in Man Fund Mgmt (UK) GLG Japan CoreAlpha Prof D Inc	26,579	-

12 Stock

	2015 £	2014 £
Publications	9,423	7,235

Notes to the financial statements

For the year ended 31 December 2015

13 Debtors

	2015 £	2014 £
Trade debtors	162,633	302,850
Other debtors	3,065	3,705
Prepayments	122,188	82,734
Accrued income	73,037	138,089
	<u>360,923</u>	<u>527,378</u>

14 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	132,221	127,490
Taxation and social security	38,121	36,989
Other creditors	62,598	72,798
Accruals	217,635	240,008
Deferred income (Note 15)	390,691	334,396
	<u>841,266</u>	<u>811,681</u>

15 Deferred income

Deferred income comprises:

	2015 £	2014 £
Balances at the beginning of the year:		
Member services	51,748	49,429
Publications and journals	105,947	3,730
Conferences and seminars	10,537	12,404
Research programmes	163,076	136,843
Rental services	<u>3,088</u>	<u>3,150</u>
	334,396	205,556
Amount released to income in the year	(321,416)	(193,962)
Amount deferred in the year	<u>377,711</u>	<u>322,802</u>
Balance at the end of the year	<u>390,691</u>	<u>334,396</u>
Analysis of deferred income balances at the end of the year:		
Member services	45,524	51,748
Publications and journals	98,388	105,947
Conferences and seminars	9,350	10,537
Research programmes	233,863	163,076
Rental services	<u>3,566</u>	<u>3,088</u>
	<u>390,691</u>	<u>334,396</u>

Notes to the financial statements

For the year ended 31 December 2015

16 Pension schemes

The Institute participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The Institute is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the Institute's employees. In 2015, the percentage was 16% (2014: 16%). The Institute is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 102 Section 28 (and in the previous year by FRS 17 "Retirement Benefits"), accounts for the scheme as if it were a defined contribution scheme.

The total cost charged to the SOFA in respect of this scheme was £15,312 (2014: £15,091), as shown in note 6. This includes £2,480 (2014: £2,449) outstanding contributions at the balance sheet date.

The latest available triennial actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method and is currently being audited by the scheme auditor. Based on this 2014 valuation employer contributions will increase to 18% from 1 April 2016.

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires scheme to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The Institute also makes contributions to two defined contribution schemes. Contributions charged to the SOFA for these schemes represents the various contributions payable to the schemes in respect of the accounting period.

The total cost charged to the SOFA in respect of these schemes was £27,472 (2014: £21,607), as shown in note 6. This includes £4,827 (2014: £3,452) outstanding contributions at the balance sheet date.

	2015 £	2014 £
Employer contributions to the USS defined benefit scheme	15,312	15,091
Employer contributions to defined contribution schemes	27,472	21,607
	42,784	36,698
	2015 No.	2014 No.
Average number of Institute members of USS defined benefit scheme	1	1
Average number of Institute members of defined contribution schemes	17	12
	18	13

17 Analysis of net assets between funds

	General unrestricted £	Endowments £	Restricted £	Total funds £
Tangible fixed assets	74,686	-	-	74,686
Investments	385,113	402,042	-	787,155
Net current assets	504,640	-	838,415	1,343,055
Net assets at the end of the year	964,439	402,042	838,415	2,204,896

Notes to the financial statements

For the year ended 31 December 2015

18 Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Endowment funds:					
Sunley-Percy Rugg	140,255	-	-	-	140,255
Sunley-Sebag Shaw	140,255	-	-	-	140,255
Barnett Shine	121,532	-	-	-	121,532
Total endowment funds	402,042	-	-	-	402,042
Restricted income funds:					
Bingham Centre Appeal – Phase 1	383,696	282,693	(395,783)	23,457	294,063
Bingham Centre Appeal – Phase 2	169,469	240,980	-	-	410,449
Devolution in the UK	46,504	116,667	(163,171)	-	-
Global Rule of Law Exchange	-	73,843	(77,441)	3,598	-
Palestine Capacity Building	-	50,542	(50,542)	-	-
School Curriculum Training Packs	-	42,751	(42,751)	-	-
Constitutional Reform in Burma	-	26,069	(26,189)	120	-
International Access to Justice	-	22,930	(22,930)	-	-
DfID Post 2015 agenda	-	13,042	(13,427)	385	-
APPG on the Rule of Law	-	9,205	(9,205)	-	-
Administrative law for Kenya	-	1,683	(1,683)	-	-
Palestine Justice Institutions	-	(647)	-	647	-
Arthur Watts Fellowship – Phase 1	160,531	3,135	(86,172)	3,264	80,758
Arthur Watts Fellowship – Melbourne	13,000	-	(3,000)	-	10,000
Arthur Watts Fellowship – Phase 2	-	42,750	-	-	42,750
Collective Redress	7,010	3,224	(10,234)	-	-
Internship programme	1,000	1,800	(2,405)	-	395
Total restricted income funds	781,210	930,667	(904,933)	31,471	838,415
Total restricted funds	1,183,252	930,667	(904,933)	31,471	1,240,457
Unrestricted funds:					
Fair value reserve	-	-	-	984	984
Fixed asset fund	96,610	-	-	(21,924)	74,686
General funds	796,809	1,206,464	(1,103,973)	(10,531)	888,769
Total unrestricted funds	893,419	1,206,464	(1,103,973)	(31,471)	964,439
Total funds	2,076,671	2,137,131	(2,008,906)	-	2,204,896

The gross transfers between funds of £28,207 for the Bingham Centre, and £3,264 for the Arthur Watts Fellowship, relate to the net surpluses made on public conferences and seminars and externally funded research projects which are then re-allocated from Unrestricted Funds to Restricted Funds to reduce the utilisation of restricted donations.

18 Movements in funds (continued)

Purposes of endowment funds:

Permanent: The Sunley-Percy Rugg and the Sunley-Sebag Shaw Endowment Funds

The Bernard Sunley Charitable Foundation established two Endowment Funds in 1982, namely:

- The Sunley-Percy Rugg Endowment Fund; and
- The Sunley-Sebag Shaw Endowment Fund

The funds were established to recognise the contributions of Sir Percy Rugg and the Rt. Hon. Sir Sebag Shaw and were received by the Institute over the period from 1982 to 1991.

Each fund is owned and administered by the Institute and consists of £140,255 held in perpetuity for the permanent endowment of the Institute. Income arising from the funds is applied for the general purposes of the Institute.

Expendable: The Barnett Shine Charitable Foundation

This fund was originally established as the Shine Denning Endowment Fund of the British Institute of International and Comparative Law in 1982. A total of £300,000 was donated over the period from 1982 to 2000, to provide income to the Institute for its general purposes, including "the provision of financial or material assistance to the Institute", but with the power to "apply the whole or any part of the Trust Fund whether capital or income in or towards the implementation of any one or more of the objects of the Trust". Income arising from the funds is applied for the general purposes of the Institute.

A transfer from expendable endowments of £178,468 was made in 2000 to settle a deficit on unrestricted funds. This left a balance of £121,532 which has remained unaltered since then.

Purposes of restricted funds

Phase 1 of the Bingham Centre Appeal fund relates to donations received for the Bingham Centre for the Rule of Law to provide sufficient income for the Centre to continue until late 2016. Restricted funds of £383,696 were brought forward from 2014. Further funds of £282,693 were received during 2015. Expenditure of £395,783 was incurred during 2015 in respect of this restricted fund. The unspent balance of £294,063 includes £21,754 of accumulated bank interest received on this restricted fund.

Phase 2 of the Bingham Centre Appeal was launched in May 2013 to raise further funds to sustain the Centre beyond Phase 1. Restricted funds of £169,469 were brought forward from 2014. Further funds of £240,980 were received for Phase 2 during 2015. There was no expenditure under Phase 2 in 2015.

The Bingham Centre received a grant from the Gatsby Foundation to undertake a review of the implications of devolution as it is developing for the UK as a whole. Work on the review commenced in 2014 and finished in 2015. Restricted funds of £46,504 were brought forward from 2014. Further funds of £116,667 were received during 2015. Expenditure of £163,171 was incurred during 2015 in respect of this restricted fund.

The Bingham Centre received a grant of \$158,616 (£98,458) from the International Rule of Law Project Inc. in 2015 for its Global Rule of Law Exchange. \$39,654 (£24,615) of the grant income was deferred until 2016. Expenditure of £77,441 was incurred during 2015 in respect of this restricted fund, leading to a deficit of £3,598 which was covered by a transfer from unrestricted funds.

The Bingham Centre was funded by the Foreign and Commonwealth Office to undertake a project in partnership with the Slynn Foundation on Capacity Building in the Criminal Justice Institutions in the Occupied Palestinian Territories. Work commenced in 2014. Restricted income of £50,542 was received in 2015. Expenditure of £50,542 was incurred during 2015 in respect of this restricted fund.

18 Purposes of restricted funds (continued)

The Bingham Centre was funded by the Legal Education Foundation to undertake a schools project on Citizenship and the Rule of Law. Work commenced in 2014. Restricted funds of £42,751 were received in 2015. Expenditure of £42,751 was incurred during 2015 in respect of this restricted fund.

The Bingham Centre was funded by the Foreign and Commonwealth Office and the British Embassy in Yangon to undertake a further project to provide research materials and training on Constitutional Reform in Burma/Myanmar. Work commenced in 2014. Restricted funds of £26,069 were received in 2015. Expenditure of £26,189 was incurred during 2015 in respect of this restricted fund, leading to a deficit of £120 which was covered by a transfer from unrestricted funds.

The Bingham Centre was funded by the International Bar Association's Access to Justice and Legal Aid Committee to undertake a research project on International Access to Justice strategies with respect to legal aid for the accused in criminal cases and redress for victims of violence. Restricted funds of £22,930 were received during 2015. Expenditure of £22,930 was incurred during 2015 in respect of this restricted

The Department for International Development (DfID) funded a joint Bingham Centre and Advocates for International Development (A4ID) project which delivered an expert consultation workshop in new Delhi, examining the rule of law and UN's sustainable development goals. Restricted funds of £13,042 were received during 2015. Expenditure of £13,427 was incurred during 2015 in respect of this restricted fund, leading to a deficit of £385 which was covered by a transfer from unrestricted funds.

The Bingham Centre was funded by the Legal Education Foundation to provide secretariat support for the All Party Parliamentary Group (APPG) on the Rule of Law and to undertake associated research. Restricted funds of £9,205 were received during 2015. Expenditure of £9,205 was incurred during 2015 in respect of this restricted fund.

The Bingham Centre was funded by the Foreign and Commonwealth Office (Magna Carta fund) to produce a research report and provide training to support the development of an administrative law guide for Kenyan Civil Servants. Restricted funds of £1,683 were received during 2015. Expenditure of £1,683 was incurred during 2015 in respect of this restricted fund.

The Bingham Centre was funded by EUPOL COPPs to undertake a series of meetings with the Justice Institutions in the Occupied Palestinian Territories in 2014. Restricted income of £647 which had previously been recognised in 2014 was written back in 2015.

The Arthur Watts Fellowship fund relates to donations received for the Arthur Watts Senior Research Fellowship in Public International Law. Restricted funds of £160,531 were brought forward from 2014. Further funds of £3,135 were received during 2015. Expenditure of £86,172 was incurred during 2015 in respect of this restricted fund. The unspent balance of £80,758 includes £7,882 of accumulated bank interest received on this restricted fund.

The Arthur Watts Fellowship – University of Melbourne fund relates to a specific donation of £25,000 received in 2011. This was given to develop a Memorandum of Understanding between the Institute and the University of Melbourne to encourage greater interaction and collaboration between the two organisations. Restricted funds of £13,000 were brought forward from 2014. Expenditure of £3,000 was incurred during 2015 in respect of this restricted fund, leaving an unspent balance of £10,000.

Phase 2 of the Arthur Watts Fellowship Appeal was launched in December 2014 to raise further funds to sustain the Fellowship beyond Phase 1. Restricted funds of £42,750 were received for Phase 2 during 2015. There was no expenditure under Phase 2 in 2015.

The Collective Redress fund relates to funding provided by the European Commission for the Focus on Collective Redress project. The project commenced in January 2013 and was originally for a two-year period, but some project activities were subsequently extended into 2015. Restricted funds of £7,010 were brought forward from 2014. Expenditure of £10,234 was incurred during 2015 in respect of this restricted fund, leading to a funding balance of £3,224 being received in 2015.

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For the year ended 31 December 2015

18 Purposes of restricted funds (continued)

The Internship Programme fund relates to funding received in support of the BIICL Internship Programme which was set up to fund the travel costs of individuals who might otherwise be unable to intern at the Institute due to financial constraints. Restricted funds of £1,000 were brought forward from 2014. Further funds of £1,800 were received during 2015. Expenditure of £2,405 was incurred during 2014 in respect of this restricted fund, leaving an unspent balance of £395.

19 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2015 £	2014 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	128,225	10,825
Depreciation charges	32,896	26,004
Foreign exchange rate (gains)/losses on cash balances	1,577	5,597
(Gains)/losses on investments	223	4,381
Dividends and interest from investments	(15,729)	(20,299)
(Profit)/loss on the disposal of fixed assets	94	9
(Increase)/decrease in stocks	(2,188)	(1,376)
(Increase)/decrease in debtors	166,455	(223,830)
Increase/(decrease) in creditors	29,584	178,099
Net cash provided by / (used in) operating activities	341,137	(20,590)

20 Analysis of cash and cash equivalents

	At 1 January 2015 £	Cash flows £	Other changes £	At 31 December 2015 £
Cash in hand	1,976,238	(160,686)	(1,577)	1,813,975
Total cash and cash equivalents	1,976,238	(160,686)	(1,577)	1,813,975

21 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2015 £	2014 £	Equipment 2015 £	2014 £
Less than one year	1	1	5,341	7,364
One to five years	4	4	1,820	4,781
Over five years	54	55	-	-
	59	60	7,161	12,146

22 Capital commitments – Major maintenance, repair & decoration costs

The accounts include an accrual of £84,000 (2014: £84,000) in respect of the Institute's 2012 contribution to the costs of the University of London's ongoing programme of building renovation at Charles Clore House. The accrual relates to work completed in 2012 but which was due to become payable in 2013. The final sum payable for the 2012 expense is still under discussion but should not exceed this amount which was the cost proposed by the University at a meeting on 10 April 2013. The full programme of building work is scheduled to run from 2012–2020 and further substantial costs will be incurred in relation to the Institute's office space over this period.

23 Contingent assets or liabilities

A contingent liability exists in relation to the pension valuation recovery plan, since the Institute is an employer of members within the scheme. The contingent liability relates to the amount generated by past service of current members and the associated proportion of the deficit. Given that the scheme is a multi-employer scheme and the Institute is unable to identify its share of the underlying assets and liabilities, the contingent liability is not recognised as a provision on the balance sheet. The associated receivable from the scheme in respect of the reimbursement of the Institute's expenditure is similarly not recognised.

24 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Notes to the financial statements

For the year ended 31 December 2015

25 Impact of transition to FRS 102 and SORP 2015

Reserves position:	Unrestricted 31 December 2014 £	Restricted £	Total £	Unrestricted 1 January 2014 £	Restricted £	Total £
Funds previously reported	909,575	1,183,252	2,092,827	824,941	1,252,541	2,077,482
Adjustments on transition Holiday pay provision	(16,156)	-	(16,156)	(12,049)	-	(12,049)
Funds restated on transition	893,419	1,183,252	2,076,671	812,892	1,252,541	2,065,433

Impact on income and expenditure:	Unrestricted 31 December 2014 £	Restricted £	Total £
Net income / (expenditure) as previously reported	84,634	(69,289)	15,345
Adjustments on transition Holiday pay provision	(4,107)	-	(4,107)
Net income / (expenditure) as restated	80,527	(69,289)	11,238